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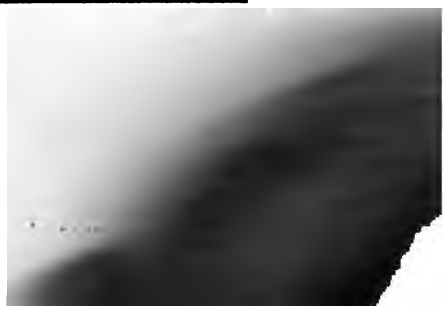

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"A PEOPLE MAY BE UNPREPARED FOR GOOD INSTITUTIONS, BUT TO KINDLE A DESIRE FOR THEM IS A NECESSARY PART OF THE PREPARATION. TO RECOMMEND AND ADVOCATE A PARTICULAR INSTITUTION OR FORM OF GOVERNMENT, AND SET ITS ADVANTAGES IN THE STRONGEST LIGHT, IS ONE OF THE MODES, OFTEN THE ONLY MODE WITHIN REACH, OF EDUCATING THE MIND OF THE NATION NOT ONLY FOR ACCEPTING OR CLAIMING, BUT ALSO FOR WORKING THE INSTITUTION."

—J. S. Mill, Representative Government, Chapter I.

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PREFACE

When the futility of the quack remedies and half measures with which purblind legislators and administrators are trying to cure the economic evils of the day shall have become universally manifest—which, by the way, is likely to happen sooner than many anticipate—the true and only efficient remedy, THE ENTRANCE OF THE STATE INTO THE FIELD OF INDUSTRY, is bound to loom up large on the horizon of the civilized world.

Whether the new order of things will rush upon us in a roaring tempest of revolution or will steal upon us imperceptibly with the gentle breeze of evolution, is at this moment difficult to foretell; it seemed, however, clear to the author that an outline at this time of the most practical ways in which the principles of the new system may be applied cannot fail to hasten its coming and to mitigate to some extent the throes of its birth; hence the creation of this work.

While this is not a first attempt in the indicated direction, the work now before you will be found to stand in a class by itself in point of sobriety, practicability and freedom from Utopianism. Owing to the multiplicity of husks in which the new economic doctrine has been swathed by its early expounders, and the load of irrelevant issues with which it has

been weighted down by them, the mass of the people has hitherto remained undecided as to whether the proposed remedy is not worse than the evil itself. It was the purpose of the author to clear away all such extraneous matter and to reveal the kernel in its purity and natural simplicity, so that all who have eyes to see might examine it and decide for themselves.

Since the inception of the idea, the chief objection to an extension of the functions of the State has been the alleged curtailment of individual liberty which it was erroneously supposed to carry with it. It is therefore the chief aim of this work to dispel such apprehensions by proving to all who are free from bias that it is possible for National Industry and Individual Liberty to dwell peaceably together.

Incidentally, however, this work is also a complete compendium of social reform in all its branches. The student will find in it the sum total of the labors of many minds in the field of sociology supplemented by the net results of the author's own humble efforts in the same domain, while the great majority of readers who have little knowledge of the new ecomonic doctrine, but whose curiosity has been aroused to know more about it, will find in it a veritable mine of information answering every conceivable question allied with the subject, and hurling back every objection to National Industry directly and in the most practical manner.

S. R.

BROOKLYN, N. Y., 1917.

CONTENTS

PART I

A MODEL CONSTITUTION

		PAGE
INTRODUCTION		3
ARTICLE		
I.	FIRST PRINCIPLES	27
II.	ECONOMIC RIGHTS, POWERS AND LIMITATIONS OF THE STATE	29
III.	THE RIGHTS OF INDIVIDUALS AND THEIR CLAIM UPON THE STATE	32
IV.	CITIZENSHIP	37
V.	THE LEGISLATIVE	40
VI.	THE EXECUTIVE	51
VII.	THE ORGANIZATION OF TRADES	57
VIII.	PRODUCTION	65
IX.	DISTRIBUTION	67
X.	THE NATIONAL RESERVE	71
XI.	AGRICULTURE	73
XII.	MINING	75
XIII.	TRANSPORTATION AND COMMUNICATION	76
XIV.	PUBLIC SERVICE	77
XV.	CURRENCY	80
XVI.	THE WAGES OF LABOR	83
XVII.	PRICES	86

CONTENTS

ARTICLE		PAGE
XVIII.	The Working-Day	89
XIX.	Regulation of Supply and Demand in National Production and Distribution	90
XX.	Private and Foreign Trade	91
XXI.	Strikes and Labor Troubles	95
XXII.	Lock-Outs	98
XXIII.	National Revenue	101
XXIV.	Construction	112
XXV.	Repairs and Renewals	113
XXVI.	National Insurance	114
XXVII.	The National Treasury	116
XXVIII.	The National Debt	118
XXIX.	The Judiciary	122
XXX.	Penal Colonies	130
XXXI.	Education	135
XXXII.	Public Relief	138
XXXIII.	Discovery, Invention and Improvement	140
XXXIV.	The Military	145
XXXV.	Union and Separation	151
XXXVI.	The Chief Executive	154
XXXVII.	The Functions, Powers and Limitations of Parliament	157
XXXVIII.	The Initiative and Referendum	164
XXXIX.	Bureaus and Offices	168
XL.	Official Service	169
XLI.	Preparation for Office	175
XLII.	Tenure of and Removal from Office	176
XLIII.	The Province and Municipality	183

CONTENTS

PART II

COMMENTARY ON THE MODEL CONSTITUTION

CHAPTER		PAGE
I.	On the Right of Private Ownership of Property in General and of Land in Particular	191
II.	On the Right of the State to Seize Private Lands for Public Use	196
III.	Who Shall Administer the People's Industries?	203
IV.	On the Existence and Validity of Natural Rights	206
V.	Can an Industrial State give Employment to all Applicants?	208
VI.	Free Trade	211
VII.	A Bi- or Uni-Cameral Legislative, Which?	213
VIII.	Proportional Representation	217
IX.	The Functions of a True Executive	221
X.	Relieving a Cramped Currency	227
XI.	Will National Industry Increase the Wealth of the Nation?	239
XII.	Unequal Remuneration for Unequal Work	242
XIII.	What Constitutes Economic Value?	243
XIV.	Taxation	258

CONTENTS

CHAPTER		PAGE
XV.	PRIVATE HOLDERS OF LAND MUST INDEMNIFY THE PEOPLE	265
XVI.	A REPRESENTATIVE JUDICIARY	268
XVII.	FREE ATTORNEY'S SERVICES	271
XVIII.	WHETHER OR NOT A COURT OF JUSTICE OR ANY OTHER OFFICIAL BODY SHALL BE CLOTHED WITH THE POWER OF PASSING UPON THE CONSTITUTIONALITY OF LEGISLATIVE ENACTMENTS	272
XIX.	TRIAL BY COURT MARTIAL	276
XX.	ON THE SELECTION OF JURIES	277
XXI.	CONTEMPT OF COURT	278
XXII.	PRISON REFORM	278
XXIII.	NATIONAL CONTROL OF PROFESSIONAL AND TECHNICAL EDUCATION	283
XXIV.	OF THE RIGHT OF PROPERTY IN IDEAS	285
XXV.	MILITARY PREPAREDNESS FOR DEFENSE ONLY	290
XXVI.	NO ANNEXATION OF TERRITORY WITHOUT THE CONSENT OF THE POPULATION THEREOF	294
XXVII.	LET THE PEOPLE RULE	297

PART I

A MODEL CONSTITUTION

To all who believe in Collective Industry and are disposed to make some sacrifices for their convictions!

A definite and thorough exposition of the principles and workings of National Industry, coupled with the retention and even further extension of Individual Liberty—such as is afforded by this work—cannot fail to remove old prejudices and misconceptions, as well as to create wide-spread sympathy with the new movement. Not being aware of any other work that may serve the purpose equally well, I DEMAND of every true believer in National Industry to aid in the dissemination of this work among the people as the surest service to the cause.

The adoption of this constitution by all parties aiming at Collective Industry and the recognition of the same as their Official Platform, would put an end to the mass of malicious libels that have for decades been heaped upon the movement by interested traducers of all stripes. If after reading this work you concur with me in this opinion, it is your duty to urge such adoption and recognition upon your respective party organizations.

The Author.

P.S. All orders marked "For distribution" will be filled at $1.00 per copy.

INTRODUCTION

THE task early social reformers set themselves to perform was to reveal the economic law which moves modern industry and the crucial problems it created for labor, as well as to arouse a spirit of class-consciousness among the workers to resist the crushing power of Capitalism. This task was accomplished so thoroughly that in less than half a century the movement spread like wildfire to every nook and cranny of the inhabited world. In 1910, the number of Socialist voters throughout the world was authoritatively estimated to be about 10,000,000, with about four hundred representatives in the parliaments of the various constitutional countries.

The influence of this valiant vanguard reached out still farther; it aroused the curiosity of the rest of the civilized world to know clearly what sort of edifice these new economic apostles would erect in place of the old one which they propose to tear down. THIS QUESTION, HOWEVER, HAS NOT SO FAR BEEN FULLY AND SATISFACTORILY ANSWERED.

Has Socialism in any land or at any time been given a practical trial? No, Socialism has never yet been tried; furthermore, according to orthodox exponents

of the doctrine, it cannot at all be tried piece-meal. Socialism, they say, will receive its trial only after it is firmly established as a national economic system, and it cannot be so established unless a nation is willing to burn all its capitalistic bridges behind it, and be wedded to Socialism for better or for worse; for, from Socialism, as from death, there is no turning back.

In view of this declaration which has been made and repeated by Socialist authorities for more than a generation, it is evident that, notwithstanding the phenomenal progress made by Socialism in winning the sympathies of the world, no nation will ever plunge into it unless driven to desperation by the evils of Capitalism, and even then, not before it is given a clear and definite understanding of the nature and *modus operandi* of the new system that is offered them instead of the old.

Now, as to the fulfillment of the first of these two conditions, the capitalistic system has done its part with a vengeance; conditions under Capitalism in most countries of the old world have become so galling that their respective peoples began casting about for relief from any source. This accounts for the phenomenal growth of Socialist partisans and Socialist sympathizers in almost every European country. In America, where, owing to the vast natural resources of the country, which wanton Capitalism has not yet succeeded in wholly exhausting, conditions are not yet so desperate, Socialism is comparatively weak, but in proportion as economic conditions are approach-

ing the European level, Socialism is making corresponding headway.

But the second condition above set forth HAS NOT YET BEEN MET, and you may rest assured that no nation, no matter how hard pressed by the evils of Capitalism, and regardless of how thoroughly it has been converted to Socialism in sympathy, will ever plunge blindly into a system from which there is no turning back, without having a clear understanding of its methods and policies. Any one who has ever tried to make a new convert to Socialism will tell you of the volley of questions with which he has been pelted:

> Will every one be compelled to work? Will the state put me in prison if I refuse to work?
>
> Who will do the unattractive work? Will the State pay me more wages so as to induce me to clean sewers instead of standing behind a counter and selling perfumery to bewitching young ladies, or will some politician have the power to put his nephew behind the counter, and me to clean the sewers?
>
> Will the government give work to all that are at present unemployed, and, if so, what kind of work will it be? Will it set them at whittling wooden sticks, or at producing useful commodities? If the latter is affirmed, what will the government do with the enormous supplies of commodities that will accumulate on its hands over and above what the nation can normally consume? Will it pile them up sky-high like

the Tower of Babel as a monument to its industrial activities, or will it dump them into the sea?

What will happen if the labor-force of a certain industry takes it into its head to go out "on strike" against the State? Will they be tried by court-martial and shot down as rebels?

How will the produce of the national industries be divided out to the people? Will every one be given what he says he needs, or will he be required to swear out an affidavit that he needs it?

Will there be any money in circulation in your new Industrial State? If so, what sort of money will it be? And will it be possible for certain individuals to hoard up large quantities of that money and have the rest of the people at their mercy, as at present, or will the government fix by law a maximum amount any person shall be allowed to accumulate, and confiscate the rest as soon as he oversteps that limit?

Will the State or will it not have the right to sell commodities at prices above the cost of production? If you answer in the affirmative, where is the advantage of this new monopoly over the old ones that have been abolished? If in the negative, what will the administration do in the case of commodities of natural (or temporary) scarcity, but which happen nevertheless to be of low cost of production—such for instance, as in the case of the discovery of a diamond

field in the Rocky Mountains—will the government sell the products of that field at five cents a piece to the first comers, or will it strew them into the crowd and tell the boys to fight for it?

Suppose I choose to set up in business for myself, will the government make it a felony or a misdemeanor? If so, suppose some wealth-producing property or machinery is found in my possession, will I be treated as a counterfeiter in whose possession an apparatus for stamping currency has been discovered? And will a jack-knife, and a pair of pincers be included in the interdicted tools, or will the government frame a long code of laws specifying in detail which tool is and which is not among those tabooed?

Will the people live in national barracks, something after the manner of soldiers at the present day, or in private houses? If in private houses, who will own these houses, the State or the respective individuals? In the former case, the State will of course make its tenants pay rent, and if so, will not such rent constitute an enormous profit despite your intention of doing away with the profit-system? On the other hand, if the latter case is affirmed, how will such houses come into existence, and how will they be maintained as private property, seeing that private industry will be tabooed, and the very land on which they are to stand will be national property?

What precautions will you take against widespread official corruption which is sure to be

increased with the multiplication of national functions?

All these questions and a multitude of others are asked by the innocent inquirer after truth before he will accept the new economic doctrine. Furthermore, the natural or mercenary opponents of Socialism have seized upon these questions and answered them in a way that either renders the socialist doctrine ridiculous or gives it the aspect of a new form of slavery.

Socialist writers of a later day could not long remain oblivious to these facts, and so they set about answering those questions in their own way. Some of them confined themselves to the working out of single problems connected with or arising from the proposed industrial system, while others attempted the task of outlining a more or less complete program for the practical application of the entire system.

In this field, however, their labors have proved utterly abortive owing to the fact that the various plans thus outlined lacked thoroughness, practicability, and unanimity. In fact, an impartial study of the workings of Socialism as outlined by Bellamy, Kautzky, Gronlund, Vandervelde, Wells and a host of lesser socialist lights, leaves the reader with a strong impression that the writers themselves were no less at sea on some important problems of the new system than the reader they sought to enlighten. Some of them have only succeeded in establishing their utter unfitness for Solon's mantle; others have unwittingly placed new weapons in the hands of the foes of Socialism by furnishing them with ready

material to prove the impracticability or undesirability of the proposed system; at the same time, all of them together, when placed side by side, show a striking divergence of opinion on a number of the most vital questions regarding the nature and methods of the new system they are trying to explain. Thus, in the branch of political sociology, government by the superannuated, government by the scientists, government by the virtuous, the abolition of local government in favor of a strongly concentrated central one, and vice versa, viz., the abolition or weakening of the central government in favor of state (provincial) or municipal rule, have all successively or simultaneously been advocated by different writers on the subject. In the branch of production, some maintained that the industries of the nation will be organized and managed by the central government, others were equally as emphatic in favor of state (provincial) or municipal organization and management, still others expressed themselves in favor of voluntary co-operative groups, while those of an eclectic turn of mind would have them all reign peacefully together. On the question of the organization of the national labor force, some would make industrial work in the service of the nation as compulsory for all able-bodied men, as is military service in European countries at the present time, while others were content to leave the individual the option to do as he pleases, but at the same time supplemented their liberality with a mass of arbitrary provisions which would reduce the said option to the alternative

of government employment or starvation. On the question of Distribution, some were well satisfied to rest upon Blanc's motto of "from each according to his capacity; to each according to his needs"; others advocated a system of wages; of these, some would have perfect equality of remuneration, while others preferred a varying scale of wages, with the highest rate going to those engaged in menial labor—a public scavenger would thus be better paid than a college professor. On the question of currency, some would do away with money altogether and revert to the ancient system of simple exchange, others would create a system of labor-checks showing the record of time passed in the service of the State, but representing nothing of concrete value. On the question of private wealth, some would do away with it directly by limiting property ownership, others would check its growth indirectly by prohibiting the free transfer of property or by abolishing or limiting inheritance.

It cannot be gainsaid that there was an unpremeditated advantage in this confusion of tongues, of which some Socialists were not slow to avail themselves, viz., when a Socialist propagandist was confronted with some one or other absurdity that was advanced as Socialist doctrine, he could readily disavow it and point to some other Socialist light as diametrically opposed to it. Such procedure, however, could not help reminding the impartial inquirer after truth, of the proverbial pair of false prophets, who, according to pre-arranged agreement, presaged the

coming of diametrically opposite events, so that one was sure to be in the right.

Modern Socialist writers, realizing the injury to their cause resulting from the maze of confusion and contradiction into which their predecessors have been driven by their attempts at precision, adopted a new policy of non-committal. It is both impossible and unnecessary, they say, to attempt at the present time to formulate a detailed program of how Socialism will work out in practice in the future. For the present, one or two cardinal principles will suffice.

Now, the allegation that it is impossible to formulate in advance a practical working program for the governance of a nation, is simply contrary to historical truth. The fact is that all written constitutions now in operation throughout the civilized world have been written in advance. As an instance, one may point to the constitution of the United States which has also been so written, and which has nevertheless accomplished just what was expected of it for almost a century and a half with only eight amendments during the entire period (the first ten having been adopted at the time of its promulgation).

It will, of course, be argued that the business of the proposed Industrial State will be much more extensive and far reaching than the business of any government that hitherto existed, but it is difficult to see why this fact should militate against the practicability of a pre-arranged *modus operandi*—rather would it seem to accentuate the greater necessity in this case of a previously worked out program.

As to the second half of the above assertion, viz., that *it is not necessary* to unfold to the people any detailed plans as to how the new system will operate, those holding such views are making their calculations without the host. For themselves, a few simple principles may suffice, but the bulk of the people, without whose approval no such far-reaching innovation can ever be made, will unquestionably refuse to stake all their hopes on the promise of a few Socialist writers that all will be well with them if they only give up Capitalism and follow them.

Imagine an inventor proposing to the Dutch people, the very existence of whose country depends on a system of dykes and water-dams, that they destroy their old dykes and put up in their stead new ones of his own invention, which, according to himself, will give better security, decrease the cost of upkeep, etc. Imagine further that when the Dutch people ask him to produce a working model or otherwise demonstrate to them on a small scale the efficacy of his system, he should answer that his system can never be tried on a small scale, and that in fact no trial of his system is possible unless the old dykes are previously demolished; should they remonstrate that in that case the country will be flooded before his dykes are even firmly placed in position, he will assure them upon his word that such will not be the case; can you imagine any people beyond the stage of racial infancy to have such implicit faith in the wisdom, sincerity and infallibility of any inventor, be he ever so great, as to stake its very existence on his

word? How much more unlikely is it then that any sensible people (and you may always trust the good sense of any nation) will consent to destroy its old economic institutions and establish in their stead a new system whose sponsors themselves admit that they have not clearly worked out some of the vital problems connected with its operation, and, furthermore, that its methods of procedure cannot be ascertained without actual trial, which trial cannot be had as long as the old system remains standing.

It is owing to this chain of reasoning that the present work has been written.

National Industry Combined with Individual Liberty

The author of this work comes to the people with well-defined plans for the practical application of every branch of the new system of national industry, and, furthermore, he asserts that the system as herein worked out may be inaugurated by any civilized State without breaking any of its old institutions down in advance.

However, the most important feature of this work and its chief *raison d'être* consists in the fact that, while seeking to secure to the people all the benefits of national industry, it at the same time scrupulously preserves the liberties of the individual, and even enhances them wherever possible.

Socialist writers of the orthodox type have always represented Socialism and Individualism as two implacable foes, who like fire and water cannot for a

moment dwell together—in this work, they are treated as two halves of one whole, each supplementing the other, and both together filling up the cup of economic happiness necessary to human well-being.

The all-important problem which the author set himself to solve with the creation of this work, and which he kept constantly before his mental eye in framing its provisions, was, to evolve a system which shall afford the people the economic well-being and security of Socialism combined with the liberty of action and movement peculiar to Individualism. How far he has succeeded in the carrying out of his plans is for the reader to judge; in justice to himself, however, he finds it necessary to state that the boundary fixed in his work between social and individual privilege is not the result of an arbitrary compromise between Socialism and Individualism, regardless of whether the two might not, like the proverbial two snakes, swallow each other, but is due to exact calculation, based on arduous and indefatigable study of men and events, as well as of the fruit of many minds in the field of sociology, with a view of determining as to how far individual liberty may be carried without imperilling the success of national industry.

The conclusions reached by the above method burst upon the author with the same unexpectedness as they undoubtedly will on the reader. As he proceeded, it became clear to him that national industry, instead of depriving the individual of his old privileges, as some of the opponents of the movement are in the habit of averring, will in fact vest him with new and

additional liberties of which he could never dream under the old system. Many an old-time Socialist will be pleasantly surprised to learn that the sacrifice of individual liberty which he was ready to make for the common good will not at all be demanded of him. The system herein elaborated, while GUARANTEEING LABOR AND THE FULL FRUIT THEREOF TO EVERY CITIZEN ON DEMAND, does not carry with it any prohibition of individual enterprise in industrial fields for profit-bearing purposes, nor of individual ownership of any and all kinds of property—not excepting even such as are classed among means of production, nor of the disposal of the same at pleasure, nor of the disposal of personal labor to any party, national or private, nor of the withholding of the same from all parties and for any length of time, at will, nor of any other liberties which are erroneously supposed to be incompatible with national industry.

Instead of the old impracticable motto of "from each according to his capacity; to each according to his needs" (which when put in every-day language means enforced labor and unequitable distribution), the motto of this work is: "From each his voluntary labor; to each the entire fruit of such labor."

But, after all, the reader may say, what earnest have we that the system as worked out by you is more practical than those advanced by earlier Socialist dreamers? Will it not add one more Utopia to those of the past?

In answer to this query I point to the success of Capitalism for Capitalists. For the new system, as I interpret it, is only a new link in the development of modern industry.

In the eternal scheme of evolution, be it physical, moral, social, or industrial, there is nothing absolutely lost or wasted. Capitalism has contributed its share toward the development of industry by its exploitation of the forces of nature and the ingenuity of the human mind, for the purpose of producing a maximum of goods with a minimum of human labor—of course, for the benefit of those who have furnished the capital in each respective case. Then came private Co-operative Industry and proved to the world that it is possible for large bodies of men to manage their own industrial affairs for the sole benefit of their respective members. The next step in the ladder of industrial evolution is the final and crowning unification of the people's industrial affairs in the hands of the State, or in other words, the conversion of the functions of the national administration from those of a mere constable to those of a business manager for the benefit of all the people.

The entrance of the nation into the field of industry need not necessarily be any more revolutionary than the appearance of a rival combination among the family of trusts, and the weapons it will employ in its fight for supremacy will differ little from those employed by the industrial combinations at the present day (with the exception of course of the under-hand methods often employed by them to crush out the life of

weaker competitors). Thus, the private Capitalistic Trust has conquered anarchic competition by consolidation of plants and management, by thorough organization and specialization of industry, division of labor, and elimination of waste; the National Trust will overthrow the private trust by the attainment of a higher degree of perfection in the very same methods, as well as by overwhelming preponderance of resources. For it is clear that no private trust has ever or can ever attain the state of efficiency possible to the people's government, neither can any private merger ever hope to command such inexhaustible resources. If this is not enough, the fact that the National Trust will make no profits and pay no dividends cannot fail to win its battles for it.

Again, the Industrial State is by no means bound to engage all private industries in battle at once; nor is it bound at any time to fight and conquer all of them without exception. Just to the contrary, if any private concern should prove itself able to operate a certain branch of industry under the changed conditions and to sell its produce to the public at prices lower than those at which national produce of the same kind and quality is sold at the time, it has thereby proven its fitness to survive, and it will unquestionably be to the interest of the people to permit it to survive until such a time as the nation shall by sheer force of greater efficiency succeed in outstripping it—if it is ever able to do so.

Nor will the new system of National Industry create as subversive and far-reaching a change in the

life, habits, and pursuits of the people as either friends or foes have prophecied. It will be found upon a thorough understanding of this work that, with the exception of the new-gained equality of opportunity and economic security, people will get along under the Industrial State pretty much the same as at present. The industrious will earn, the thrifty will save, the idle will starve, the devotee of art will invest his savings in a collection of paintings, the coquette will pay away her earnings for a costly wardrobe, those in possession of sporting propensities will buy trotters and the scholar will buy books, etc., etc.

It is thus seen that this work does not aim to unfold a vision of some new ideal state of society born and bred in the brain of the author, but a perfected model of the present state.

It must, however, be clearly understood that the analogy will be only in methods and manners but not in essence; for while capitalistic industry has employed its powers for the sole purpose of creating profits for its idle investors, and to accomplish this it found it to its interests to limit output and dispense with human labor to an ever-increasing degree, the sole object and solicitude of the administrators of the national industries will be the well-being of the workers and consumers. Under the operation of the new system, over-production in the present sense of the word will cease to be a terror to either employer or employee, for under the new order of things, instead of bringing about panics and crises, it will

only have the effect of lowering prices or shortening the working day.

In the same way, the elimination of the middleman under the new system will not imply the deprivation of those employed in that capacity from the means of earning a livelihood, since under the new order of things EVERY CITIZEN WILL HAVE THE INALIENABLE CONSTITUTIONAL RIGHT TO DEMAND AND OBTAIN WORK FROM THE STATE AT THE STANDARD RATE OF WAGES AT ALL TIMES.

How will the state be able to give work to all applicants? And what will it do with the limitless quantities of produce that will be piled up as the fruit of such ceaseless labor? This was advanced by the opponents of Socialism as an unanswerable question. And, judging from the present-day standpoint, it is unanswerable; for, under a system which makes "selling at a profit" the chief end of production, such forced employment of all comers and ceaseless continuation of production when imposed on any one capitalistic concern would not only put an end to its profits but would soon eat up its capital as well.

Conditions, however, will be entirely changed with the change of industrial systems. When the interests of the employer and employee, producer and consumer, shall have become merged and inseparable, over-production in the present sense of the word will be changed from a curse into a blessing. Under the new order of things, the last part of the above question, viz., What will the state do with its surplus

produce (if it has any), will resolve itself into some thing like the old speculation as to what will Rockefeller do when his annual income is increased to an extent which will make it impossible for him to consume it. That there is little cause to worry over such an emergency, will be conceded by every right-thinking person; should it, however, at any time under the operation of the new system be considered advisable to limit output, it will not be limited, as it is done to-day, by the *number of laborers* employed, but by the *hours of labor* allowed.

As to the first half of the above question (viz., will the State be able to give work to all applicants?), in a country like England (whose entire resources are not sufficient to sustain its population with the necessaries of life, and consequently it depends on obtaining such necessaries from foreign markets in exchange for manufactured products turned out by its workmen at home), the idea of ceaseless production with no guaranty of corresponding demand abroad, may present a problem difficult, though by no means impossible, of solution. Taking, however, a country like the United States as an instance, whose natural resources are sufficient to sustain a population ten times the size of the present one, and whose soil is suitable for the home production of all commodities that are usually classed as necessaries of life, what on earth can prevent the managers of the national industries from setting every man and woman (desiring it) to work at productive labor, providing it pays out to each of them just what his or her labor has pro-

duced, no more and no less? And how can the State be the loser by it?

Here is a farmer who has five thousand acres of land and five sons; the land is ready for cultivation and the sons are anxious for work and willing to take the produce of their own hands (or its equivalent) in exchange. Why should they be prevented from doing so, and what possible risk may be said to lurk therein for either the father or the sons?

How may the new industrial system be ushered in without breaking the old one down, or at least throwing it into serious disorder?

The answer to this question, as far as this country is concerned, is quite simple.

Suppose the American nation, which even at the present time is the collective owner of millions of acres of arable and timber land as well as of enormous mineral deposits, decides to-day to start working its possessions industrially and to sell the produce of its industry to the public in the ordinary capitalistic manner (with the elimination, of course, of capitalistic inhumanity to the workers and capitalistic profits to idlers).[1] Can you see any physical obstacle that would be likely to stand in its way, or any harm that would

[1] Whenever "profit" is spoken of in this work, that part of the annual income of a given concern is meant which is withdrawn from the business by the owners thereof for private use, but not that part thereof which is used for the enlargement of the plant, or for repairs and renewals, or for the liquidation of debts incurred in the establishment and pursuit of the respective industry—as such expenditures must of necessity obtain under any system of industry, and are chargeable to the cost of production.

be likely to result therefrom to any appreciable portion of the community? Suppose further that in the branch of lumbering, for instance, the national administration should in the course of a certain period succeed by the ordinary and legitimate means of industrial competition in driving private enterprise out of that field entirely, would it harm the laborers engaged in that branch of industry, or anyone else, any more than when one Trust swallows another at the present day? Suppose further that the government, by reinvesting its surpluses, and by diverting military expenditure into industrial channels, contrives in the course of years to extend its operations to other branches of industry, such for instance as transportation, construction, manufacture, etc., and suppose further that it gains an ascendancy in some of these also, who will be harmed by it except the few idlers who used these industries as a means of levying tribute on the public in the form of profit? Will it injure the consumers? How so, when they will be able to obtain the produce of all national industries as cheap, if not cheaper than that of private industry? Will it injure the workers who shall thus find their masters changed? Are not hosts of workers clamoring for government jobs at all times, notwithstanding the restraint of civil service requirements and the cost in self-abasement, bribes to political bosses, etc., universally known to attend the obtainment of such jobs? And what reason is there to suppose that at any future time citizens may find government jobs oppressive, irksome, or otherwise undesirable?

You may perhaps say that during the transition period a host of small tradespeople are likely to find their occupation gone along with that of the great captains of industry, but are they not being crushed out in the same way at the present time by private Trusts? And how is the small fry better off when gulped down by a shark than when swallowed by a whale? Furthermore, chances are that, owing to their possession of previous experience the greater portion of such tradesmen will find employment in the respective government industries (even before the right to obtain state employment on demand is granted) and will be much more satisfied than when they were engaged in the unequal struggle with the private leviathans of industry.

It is thus evident from the foregoing that it will not at all be imperative for the State to grant the Right to Labor on Demand immediately upon its entrance into the industrial field.

Seeing that, instead of being inimical to the interests of the people, national industry, even when carried on under present conditions, is much more likely to be of great benefit to all classes of society (to the workers who have been lucky to be enlisted in it—by affording them the economic ease and security and the industrial safety accompanying government employment even at the present day; and to the general public—because of its inevitable tendency to thin out the ranks of the unemployed), why then could not the right to obtain labor from the government on demand (which will then be the only finishing touch necessary

to consummate the establishment of the new order of things) wait until Parliament, aided by expert investigation, shall find that the said right may be granted without causing embarrassment to the administration, or in any way endangering the new industrial system? In fact, a gradual absorption by the State of the bulk of the working population of the country is possible before the official grant of such right, and without the necessity of a formal declaration of the same.

How will the new system of industry do away with all the evils at present attending capitalistic industry? This is almost too self-evident to need any explanation; for with the direct abolition of Unemployment, Inequality of Opportunity, Industrial Anarchy and the Enslavement of Labor, the rest of the economic evils flourishing under capitalistic industry must inevitably droop and die a natural death for lack of favorable breeding-soil. In a state where work and its full produce is guaranteed every applicant, there is certainly no room for Poverty and its concomitants, Child-Labor, or Crime and Vice for mercenary ends; when over-production shall become a blessing instead of a terror, Crises and Panics shall *ipse facto* cease their visitations; in a state where the people will rule *in fact* instead of in name, Bribery and Corruption may be expected to be reduced to a minimum, as it is contrary to reason that people should corrupt their own officials against themselves; where commodities will be produced with no other end in view than to give satisfaction to consumers, there cannot possibly

be any motive for adulteration or falsification of products; where the workers or their representatives will themselves be the managers of the industries, there is surely no fear that sanitary or safety precautions will be neglected.

I will not in this place attempt to answer the stereotyped objections that are usually made to Collective Industry, such as the allegation that "it will bring genius down to the level of mediocrity, reward the indolent at the expense of the industrious, create an all-powerful and irresponsible bureaucracy, increase official corruption, give full scope to the tyranny of majorities, crush out Individualism, deaden Incentive, etc., etc., as all such preconceived notions will disappear as if by magic after a careful study of the Model Constitution.

At the same time, it should be fully understood that this work was meant to solve the problems of to-day and to indicate merely the *next step* in true economic and political reform.

No doubt, the new order of things will create new problems of its own; but to worry to-day over unborn evils is something like Pliny's investigation into the nature and habits of the Phœnix. We may safely trust the generations whose welfare will depend upon it, to find solutions for the problems of their own day; should they commit some error and stumble over it, be sure that they will rise again and profit by their experience.

With respect to the technical side of the work, the author finds it necessary to add that it is not made

up of a collection of independent or loosely connected chapters, treating various economic questions in a sporadic manner, but that all its parts are indissolubly knit together and made to work with the certainty and precision of a nicely adjusted piece of machinery; it is therefore evident that consecutive study is indispensable to a thorough understanding and appreciation of the same.

I find it also necessary to state that while this work deals in the main with a system of National Industry *in full operation,* ample provision has at the same time been made for the transition period, as well as for commercial intercourse of the industrial state with outside non-industrial states that may at any time co-exist with it.

Parallel with the economic system herein set forth, runs also a reconstruction of the political machinery of the State embodying the best results of previous work in that field, as well as the author's original ideas on almost every branch of government. The author, however, deems it necessary to state that the two systems combined in this work are not absolutely dependent on each other, and, consequently, that the establishment and successful operation of the economic system herein outlined do not *necessarily* presuppose a radical change in the political form of any truly constitutional government.

A MODEL CONSTITUTION

ARTICLE I

FIRST PRINCIPLES
OR
THE SPIRIT OF THE CONSTITUTION

1. The Model Constitution was designed to realize chiefly the following ends:

A. To create a system of National Industry which shall afford citizens the opportunity to engage in productive labor whenever they desire to do so.

B. To bring such labor to the highest degree of productivity by means of thorough organization, perfect division of labor, elimination of waste, as well as by any other just and equitable expedient available.

C. To secure to all persons engaged in the service of the state the full enjoyment of the entire fruit of their labor.

D. To make it obligatory upon the nation to provide for those of its members who are unable to contribute their share of useful labor, owing to old age or other incapacity.

E. To preserve as much freedom of action and movement to the individual as is compatible with the foregoing provisions.

F. To secure perfect equality between the races, sexes, classes, and denominations.

G. To provide a truly representative government, and one in which labor shall have its due share of power.

H. To secure due regard for the rights of minorities.

I. To secure to the people the right of direct legislation by means of the initiative, referendum and recall.

2. The realization of the principles set forth in the above section is the chief aim of this constitution, and is, therefore, sometimes referred to in the body of the work as "The Spirit of the Constitution."

3. After the official adoption of this constitution, no amendment shall be made to any of its provisions which will have the tendency directly or indirectly to subvert or to endanger any of the above cardinal principles, and if such amendment is made, it shall be null and void.

4. Amendments which are not likely to have the above tendency may be made to any of the provisions of this constitution by a two-thirds majority vote of the people.

5. The method of submitting constitutional amendments to a popular vote shall be the same as that prescribed for ordinary legislation in Section 3 of "The Initiative and Referendum."

NOTE.—For the authority to decide as to whether any one amendment belongs to one or the other of the two classes just treated of, see "The Judiciary," Sec. 5.

ARTICLE II

ECONOMIC RIGHTS, POWERS AND LIMITATIONS OF THE STATE.[1]

1. The ownership of land and everything by nature permanently attached to it, such as rivers, lakes, mines, forests, etc., shall primarily be vested in the nation as a corporate body, and the operation of the same industrially for the benefit of the people shall be the chief function of the State. (See Commentary, Chap. I.)

2. Upon the inauguration of the industrial system set forth in this constitution, and at any time thereafter, the State shall have a right to seize on behalf of the nation all property that partakes of the nature described in the foregoing clause (and henceforth included in the single term "Land"), or any portion thereof that may be needed in its operations. (See Commentary, Chap. II.) This right of seizure shall, however, be subject to the following conditions: (1) At the first transference of any piece of land from private to national ownership (and regardless of whether such transference is made at the time of the inauguration of the new industrial system or at any

[1] The term "State" is used throughout this work to denote the entire commonwealth or the national administration thereof, and should not be confused with the narrower interpretation of the same obtaining in the United States and denoting a political section of the country; the latter being termed "Province" in this work.

subsequent time) the State shall be bound to indemnify the owners thereof according to the full market value of the same at the time of seizure; (2) in the case of subsequent seizures of land from the private parties holding the same under the right of tenure defined later in this constitution (see "Revenue"), indemnity shall be paid only to the extent of the value of the improvements erected upon or incorporated in the same at the time of seizure and provided that said improvements have been created by human labor; no indemnity shall in this case be paid for the property itself in its natural state (for the reason that the parties holding the same were never granted the right of absolute ownership therein), nor for any accidental value that may have accrued to the property in question by extraneous circumstances, such as the adjacent settlement of communities, building of roads, digging of canals, etc. (as such accidental value, having been created by the public, naturally belongs to the public).

3. No indemnity shall be paid in any case—first transferences not excepted—for any overcapitalization to which the property in question may at the time be subject.

4. The amount of indemnity to be allowed in each particular case shall be appraised by a competent and impartial jury.

5. All indemnities shall be paid in gold, unless other national products are preferred by the respective recipients.

6. In case of necessity, the administration may

divide certain indemnity-claims into a reasonable number of annual instalments, provided that every instalment when due is paid in gold (unless other national products are desired by the recipients) and that interest according to the current rate is paid by the administration on all unpaid instalments.

7. The right of seizure set forth in Section 2 of this article shall be applicable only to land which the national administration is capable and willing to use on behalf of the nation within a short period after seizure; in other words, when it is said that the State shall have a right to seize all land or any portion thereof that may be needed in its operations, it is not meant to exclude individuals from the cultivation or possession of land altogether, but to give it (the State) the means of carrying on the extensive operations outlined above in "First Principles"; as soon, however, as the needs of the State shall have been satisfied, the rights of the individual shall begin. (For other provisions relating to the tenure of land by private parties, see "Revenue.")

8. The State shall have a right to impose on all private holdings of land a rental or tax equal to the amount of revenue needed for the maintenance of what is known throughout this work as the political or civil administration of the nation. (See "Revenue.")

9. Apart from the ownership of the class of property defined in Section 1 of this article, and the operation of the industries based upon the same, the State shall share with private parties the right of owning any kind of property, and of engaging on

behalf and for the benefit of the people in the operation of all other industries and the production of all other commodities, utilities, and services which the new administration may find suitable to the national management. (See Commentary, Chap. III.)

10. The State shall have no right to interfere with the management and operation of private industry unless such interference is absolutely necessary for the protection of society. Thus, the State may enforce throughout the land the adoption of sanitary and precautionary measures, enact employers' liability legislation, prohibit the employment of minors and women at the ages or periods when such persons are excluded from national employment by the provisions of this constitution, etc.

Additional provisions defining the functions, powers, and limitations of the State are scattered throughout the succeeding articles of this work.

ARTICLE III

THE RIGHTS OF INDIVIDUALS AND THEIR CLAIMS UPON THE STATE. (See Commentary, Chap. IV.)

1. The State shall be bound to furnish remunerative employment on demand to all citizens applying for it. (See Commentary, Chap. V.) Exceptions to this provision shall be permitted only in the following cases: (1) during the period of transition, i. e., the time

immediately following the entrance of the State into the field of industry; which period must be officially declared terminated as soon as the national industrial operations shall have become extensive enough to warrant such a step without endangering the success of the new system as a whole; (2) in the case of women, during five months preceding and two months succeeding childbirth; (3) in the case of either sex, where the applicants are under eighteen or over sixty-five years of age, or persons who have been disabled from work by disease, accident, or some inborn incapacity—for which cases provision is made later in the article on Public Relief.

2. Persons employed in the service of the nation shall be at liberty to leave that service at will and at any time. (For Strikes and Labor Troubles, see the article by that name.)

3. The rate of wages of all employees in the service of the nation shall be such as to afford them and their families all the ordinary comforts of civilized life. (For a more definite statement of this provision, see "The Wages of Labor").

4. Citizens are entitled to obtain all the ordinary commodities, utilities and services produced by the national industries, or procured by national commerce, at prices which shall leave no profit to the State. (See "Prices.")

5. The option of the individual in the matter and manner of expending his earnings must not be restricted to any degree.

6. With the exception of munitions and materials of war (see "The Military," Sec. 14), every individual shall be free to engage for his own private gain in any profit-bearing industry or public service, with the inclusion even of the postal service and similar operation which under the present system are arbitrarily closed to private enterprise.

7. Individuals shall be free to buy commodities, utilities, or services from private as well as from government stores, and from foreign as well as from domestic markets, without paying any duties or imposts to the State, the only exceptions to this rule being cases of emergency treated of in Sec. 11 of the article on Private and Foreign Trade. (See Commentary, Chap. VI.)

8. With the exception of national property treated of in Sec. 1 of the last article, individuals shall have the right to own absolutely any and all commodities produced by human industry, and to sell, barter, give, or bequeath their rightful possessions at will, without any interference on the part of the State.

9. Except in cases expressly treated in Sec. 1 of this article and Sec. 20 of "The Military," members of both sexes shall have equal rights in all matters relating to the civil, industrial, political, or social affairs of the community, and shall be equally subject to the duties of the same.

10. The freedom of thought, of worship, of speech, of the press, of assembly, of combination, and of opinion shall not be abrogated or otherwise adversely interfered with by any legislative, administrative, or

judicial body, whether national, provincial, or municipal.

11. No official or state religion shall be established or recognized in any part of the land, nor shall any legislative, administrative or judicial body, whether national, provincial or municipal, have a right to enact or enforce laws, ordinances or regulations favorable or hostile to any religious observance or practice, except in case the respective observance or practice is criminal in its nature, when it may be suppressed.

12. No legislative, administrative, or judicial body, whether national, provincial, or municipal, shall enact or enforce laws, ordinances, or regulations discriminating, directly or indirectly, politically, industrially, or socially between individuals or classes of citizens on account of birth, race, sex, color, creed, or opinion, and all laws, ordinances and regulations so enacted shall be void. Any private concern that shall be found guilty of such discrimination shall be estopped from doing business with the public.

NOTE.—The provisions contained in the preceding three sections are even at the present day embodied in the statute books or officially recognized in almost every democratic country, but so numerous and persistent are the evasions and circumventions that the said laws are of little or no value to those for whom they have been invoked. It is due to his anxiety of precluding every possible evasion or misinterpretation that the author has employed, *what may seem at a cursory glance,* more than necessary length in the framing of the above provisions.

13. None of the rights of individuals guaranteed by this constitution shall be abrogated, or in any way interfered with, because of the fact that some one had employed the same for wrong-doing. Thus, the fact that some one had used fire-arms for committing murder, or that some individual uttered words in public

which resulted in acts of violence, shall not justify the abrogation or limitation of the right to bear arms or of free speech, justice and reason dictating the rule that offenders be dealt with individually, and after the offense has been committed and proven.

NOTE.—The ease with which individual liberty is frittered away at present, even in so-called democratic countries, is both astonishing and alarming. The fancied or assumed indignation of some pseudo-moralist is often considered sufficient for the establishment of a censorship over the press or the stage; the cry "anarchist!" raised, in most cases, by some interested party, is enough to muzzle a public speaker; an order issued by a drunken or bribed police-captain is potent enough to disperse a popular assembly; the report of a gun fired by one tough at another will stampede a legislature to deprive the people of the right to bear arms, etc., etc. It is to prevent such ill-advised and dangerous legislation that the above provision has been made.

14. The mention of certain rights which individuals shall have under this constitution, shall not be construed so as to exclude or abrogate others which are too evident to require mention. It is therefore safe to lay down the rule that all powers and rights not expressly vested by this constitution in any of the legislative, administrative, or judicial bodies shall be reserved to the individual.

15. In addition to the right of individuals as against the organized State, all persons residing within the limits of the country shall have all the force of the nation at their disposal for the protection of life, limb and property from violation by any private party or parties whatsoever.

ARTICLE IV

CITIZENSHIP

1. Every person (male or female) born on native soil shall be considered a full citizen of the country until such citizenship is voluntarily renounced by him- or herself.

2. No foreign person shall become a citizen who has not previously declared a willingness to become such, or who has not resided in the country a consecutive or aggregate period of five years, or who does not at the time of application possess a thorough knowledge of the essential principles of this constitution. On the other hand, citizenship shall never be withheld from persons complying with the above enumerated conditions.

3. The naturalization of a father or mother shall carry with it that of his or her minor children; man and wife, however, shall be independent of each other in naturalization as well as in all other political matters.

4. The accident of birth, race, color, sex, religious or political opinion shall under no condition disqualify a person from becoming a full citizen, or—after citizenship has been attained—from possessing all the rights guaranteed by this constitution to native-born citizens.

5. Persons who have not attained the right of citizenship, but who have legally been allowed to

settle in the country, shall, as long as they remain within the boundaries of the same, have all the rights and privileges secured to individuals throughout the pages of this constitution, with the exception only of the right of voting or holding office, the right of serving in the army, navy or militia, and the right of claiming employment from the government. (N. B.—This should not be interpreted as an injunction against the employment of non-citizens in the national industries whenever the government *shall have need* of their service.) In consideration of the privileges granted them by this provision, persons of the class above defined shall be amenable to all the laws of the land and subject to all the duties of individuals set forth in this constitution, or subsequently enacted by duly authorized official bodies.

6. Citizenship can never be revoked or annulled by the State unless the same had previously been voluntarily renounced by the person in question. Nor shall deprivation of civil rights or exile as a punishment for crime ever be resorted to.

7. Citizens who of their own volition reside or travel outside the boundaries of their home country shall be accorded every protection by their home government SHORT OF INTERNATIONAL WARFARE. In other words, citizens who while residing in some foreign country, or while traveling upon the high seas, happened to be wronged or injured by some foreign government or any of its officials, or by private persons belonging to a foreign country (and providing that no adequate redress can be obtained through the legal

channels of the country concerned), shall be given all needed assistance by their home government in so far as such assistance would amount to pecuniary aid, diplomatic negotiation, or even commercial retaliation; on no occasion, however, shall the lives of citizens who stayed at home be sacrificed or jeopardized in foreign wars on behalf of others who of their own choice placed themselves outside the jurisdiction and protecting power of their home government.

NOTE.—In modern times, the undue share of protection claimed by, and accorded to citizens settled abroad, was a frequent source of international wars. As a matter of fact, however, it has been proven time and again that a state cannot guarantee absolute safety to citizens travelling upon the high seas, or settled among foreign nations, even when such nations are bound with friendly treaties to the home government. It is therefore in accord with justice and common sense that no state should be called upon to redress grievances which it could not ward off beforehand, especially where such redress cannot be effected without sacrificing or jeopardizing the lives of other citizens.

8. The Industrial State shall not grant any titles of nobility, nor shall a citizen accept such titles from a foreign government, and any acceptance of such shall be considered tantamount to a renunciation of citizenship.

ARTICLE V

THE LEGISLATIVE

1. The chief legislative powers of the nation shall be vested in two legislative bodies known severally as the National and Trade Assemblies, and jointly as the National Parliament. (See Commentary, Chap. VII.)

THE NATIONAL ASSEMBLY

(See Commentary, Chap. VIII.)

2. The National Assembly shall consist of representatives chosen for a period of four years by a popular vote of all the citizens (male and female over twenty-one years of age) of the various provinces.

3. The Province (corresponding to the "State" in the United States, or the "Department" in France) shall constitute a single constituency for election purposes; every citizen being allowed to vote for any candidate in any part of his respective province, provided, however, that where a province would be entitled to more than twenty representatives, it shall be divided into two or more constituencies, as the case may require.

4. The number of representatives allowed every province shall be at the rate of one to every fifty thousand voters (male and female) found in it at the last census.

NOTE.—In a country having a population like that of the United States, the above proportion would give the National Assembly from five to six hundred members, which is about the right number for a parliamentary body; to suit nations of different size, the proportion may easily be changed, as the case may require.

5. Members of the National Assembly shall be elected in accordance with the following system of Proportional Representation:

Any citizen or group of citizens shall have the right to present a list of candidates to the proper election authorities, which list, if made up and presented in compliance with all the provisions made later in this article, shall be placed under a distinctive title or number on the official ballot at the respective election.

6. A list may be presented by independent citizens as well as by political parties; it may be made up of the names of the presentors as well as of those of others; it may contain any number of names from a single one upward; however, no list shall contain more names than the number of representatives to which the respective constituency is entitled.

7. Every candidate placed on any list must be supported by a nomination paper signed by at least five hundred voters. Thus, a list containing ten names must be accompanied by nomination papers bearing the signatures of at least five thousand voters.

8. The name of a candidate shall not be permitted to stand on more than one list.

9. Every list, in order to be placed on the official ballot, must be presented to the proper election

authorities at least two weeks before the day of election.

10. Every voter shall have as many votes as there are representatives to be elected in his constituency at the respective election. He shall also be free to give all his votes to a single list (in which case the voting mark shall be made at the head of the respective list), or to split them up between the candidates of two or more lists (in which case the voting mark shall be placed opposite each name voted for), or to cumulate all or any number of his votes on any single candidate (in which case a number corresponding to the number of votes given shall be placed opposite the name voted for). He shall also have the right to strike out any names printed on the list and substitute others in their place, or to compose an entirely new list. Every vote shall be valid where the name of an eligible candidate is clearly given.

11. A voter may use less than the full number of votes to which he is entitled, but he shall not be permitted to use more votes than the number of representatives to be elected in his constituency.

12. At the close of the poll, the total number of votes received by every list in the respective constituency shall be recorded separately by the election authorities; this accomplished, every list shall be allowed one representative for every fifty thousand full ballots received by it (a "full ballot" consisting of a number of *single votes* for *single candidates* equal to the number of representatives to which the respective constituency is entitled, whether said num-

ber of votes was cast *en bloc* by a single voter or contributed by several voters who split their votes, and whether it was cumulated on one candidate or given to several candidates. It is therefore evident that to find the number of seats to which a particular list is entitled in any given province, divide the gross number of single votes cast for it, by a number equal to the number of votes to which the respective province is entitled).

13. Within every respective list, the seats shall be given to those candidates who polled the largest number of votes on the same list.

14. In case of a tie in a certain constituency between two or more candidates who polled the largest number of votes on the same list (and providing that all the tied candidates cannot be seated) the legislature of the respective province shall choose from among them the number required to complete the quota to which the respective list is entitled.

15. It is evident that after the apportionment has been made according to the above provisions, there are likely to be a number of remainders (some of them smaller than the number required for election in the respective constituency, and some of them even greater—in case a certain list had in a particular constituency less candidates than the number of seats to which it has become entitled by the number of votes polled by it at the respective election in the same constituency); all such remainders throughout the land shall be added together in separate groups under the titles of their respective lists; this accomplished, a number of additional representatives (to be known as representatives at large) shall be allowed every re-

spective list at the rate of one for every fifty thousand full ballots, or groups of single votes equal to full ballots. (In this case, what was counted a full ballot in the respective constituency at the time of the first apportionment shall be considered a full ballot in the remainders contributed by it to the second apportionment; in other words, two full ballots coming from two different constituencies need not necessarily contain the same number of single votes, since in spite of this seeming inequality each of those full ballots represents a single voter.)

16. Within every list, the additional seats shall in this case be given to those candidates who polled the largest vote (next to the successful candidates) in the respective list throughout the country without distinction of province, but with the proviso that provinces which in the first apportionment have received the full quota of representatives according to the rule laid down in Section 4 of this article, shall be left out of consideration in the second apportionment.

17. In case of a tie between two or more of the candidates who happen to be eligible for the second apportionment according to the provision of the foregoing section (and providing that all the tied candidates cannot be seated) the National Assembly at the time in office shall choose from among them the number required to complete the quota to which the respective list is entitled in this second apportionment.

18. In case a certain list is entitled to more seats than the number of candidates it contained throughout the land at the time of election, its title shall thereby be considered lapsed. In the same way, all

remainders that are left to the various lists after the second apportionment shall be dropped.

19. In case, after the second apportionment, there are still some provinces whose number of elected representatives is less than that to which the same are entitled according to the rule laid down in Sec. 4 of this article (which may well happen because of unapportionable remainders treated of in the foregoing section, or because of failure for some reason to poll the full vote of the respective province in the respective election) the additional seats to which the same are entitled shall be given to those candidates who received the largest number of votes in the respective provinces, short of being elected at either the first or the second apportionment, and, in this case, regardless of any distinction of list. This shall be known as the third apportionment. (See Commentary, Chap. VIII.)

In case of a tie between two or more of the candidates eligible for the third apportionment according to the provision of the foregoing section (and providing that all the tied candidates cannot be seated), the legislature of the respective province shall choose from among the tied candidates the number required to complete the quota of representatives to which the said province is entitled.

THE TRADES ASSEMBLY

20. The Trades Assembly shall consist of a number of members chosen for a period of four years by a popular vote of the employees and officials (male and female over twenty-one years of age) of the

various trades throughout the country (with no provincial divisions), every trade sending one member for every twenty thousand voters found therein according to the figures of the last census, fractions of said quota being dropped.

21. Every citizen furnishing proof at the time of election (or, if a system of previous registration shall be adopted, at the time of registration) that he is actively working in one of the trades as an employee or official, regardless of whether he is engaged in State or private industry, shall be allowed to cast his vote for the representatives of his respective trade.

22. Any citizen presenting to the election authorities a nomination paper signed by five hundred voters of his trade (and providing he is eligible for the office according to the provisions made later in this article) shall be placed on the official ballot of his respective trade.

23. The nominees of every trade shall be placed on a separate ballot, and every voter shall be given at the polls the ballot of his trade.

24. Every voter shall have as many votes as there are representatives to be elected in his trade at the respective election. He shall be free to give all of his votes to a single candidate, or to split them up between several candidates (in each case a number corresponding to the number of votes given shall be placed opposite every name voted for). He shall also have the right to strike out any names printed on the list and substitute others in their place, or to compose an entirely new list.

25. As in the case of the National Assembly so

also in elections for the Trade Assembly, a voter may use less than the number of votes to which he is entitled, but he shall not be permitted to use more votes than there are representatives to be elected in his trade.

26. At the close of the poll, every trade shall be given the number of seats to which it is entitled according to the rule laid down in Section 20 of this article, giving the seats to those candidates who have received the largest number of votes in their respective trades.

27. In case of a tie between two or more candidates for the Trade Assembly (and providing that all the tied candidates cannot be seated) the executive council of the respective trade shall select from among the tied candidates the number needed to complete the quota.

28. Should it happen that the number of votes cast for a certain trade entitles the same to a larger number of representatives than what it would be entitled to according to the figures of the last census, the election number shall be followed in the allotment of seats, as the fact indicates clearly that the labor force of said trade has been increased since the last census. In case, however, the number of votes cast for a certain trade is less than the number of operatives ascribed to that trade by the figures of the last census, the census number shall be followed, as the polling of a full vote by the respective trade may have been prevented by other causes than a diminution in the labor force of said trade. The same rule shall apply to the National Assembly.

NOTE.—As the Trade Assembly was created for the promotion and protection of the industrial interests of the nation, it is desirable that party politics be kept out of its composition as well as of its deliberations. It is owing to this opinion held by the author that the List System which has been provided above for the election of the National Assembly has been eliminated in the election of the Trade Assembly. Should it, however, be found at any time during the operation of this constitution that party politics is playing as prominent a part in the Trade Assembly as in the National Assembly, the List System of proportional representation provided above for the election of the National Assembly may also be adopted *within each trade* for the election of members to the Trade Assembly, with the self-evident variation that every trade shall constitute a single constituency; i. e., voters shall be allowed to vote for candidates outside their province, but not outside their trade.

MORE ELECTION LAWS

29. A vacancy occurring in the National Assembly before the expiration of its term shall be filled for the remainder of the term by the Provincial Legislature of the province where the vacating member was originally elected. In the same way, a vacancy occurring in the Trade Assembly shall be filled by the Executive Council of the trade which the vacating member represented. The preference for such appointments shall be given in every case to those candidates (if there are any such) who at the regular election appeared on the same list with the vacating member, and received the largest number of votes next to the successful candidates of the same.

30. Members of either house of Parliament shall be eligible to repeated re-election.

31. Diverse parties or trades may by a popular vote of the followers of the same combine together for election purposes, in which case they shall be allowed to put up only one list of candidates, and under a single title. Notice of such combination must be given to the election authorities at least two weeks before election.

32. The elections of the two houses of Parliament shall take place alternately every two years, so as to have one body of experienced members always in service.

33. All processes of election shall be under the supervision of the Department of the Initiative and Referendum, or of the bureaus and offices established by it for that purpose. All ballots shall be secret.

34. Political parties shall not be interfered with as long as they confine themselves to peaceful and legitimate activity; however, any attempt by them or by their agents to tamper with elections, or to exert illegitimate influence or undue pressure on voters, shall be considered criminal.

35. The attitude of the State and all its officials to the various political parties shall be that of strict neutrality. No State moneys or official power or influence shall be used to further or damage the political interests of any party or trade as against the others. No official shall make propaganda for his party, or even for his own re-election, by speech or writing, or by any means whatsoever, without having previously resigned his office.

For the rights of minorities in Parliament, see "The

Functions, etc., of Parliament," Sec. 11. For laws governing the chairmanship of the two houses of Parliament, see Sections 2, 3, 4 and 5 of the article just named.

QUALIFICATIONS

37. No one shall be eligible for membership in either house of Parliament who has not attained the age of thirty, or who has not been for five years previous to his candidacy a citizen of the country, or who has not passed the civil service examination prescribed for members of the respective houses. In addition to the above, one year's residence in the respective province shall be required of candidates for the National Assembly, while of candidates for the Trade Assembly, five years' service (as employees or managing officials) in the trade which they wish to represent shall be demanded. (No provincial residence shall be required of candidates for the Trade Assembly.)

38. The qualifications for voting in national elections shall be citizenship, an age-limit of twenty-one years or over, and residence in the respective constituency (in the case of elections for the National Assembly), or employment in the respective trade (in the case of elections for the Trade Assembly).

39. The accident of race, birth, color, sex, political or religious opinion shall in no case exclude citizens from voting or holding office in either house of the National Parliament.

ARTICLE VI

THE EXECUTIVE

1. The executive powers of the State shall be vested in the following departments:

A. Department of Agriculture, embracing agriculture, forestry, fisheries, live stock, game, etc.

B. Department of Mining.

C. Department of Construction.

D. Department of Manufacture, which latter, including as it does vast operations of dissimilar character, may be divided into several departments, such for instance as of metal works, of wood works, of glass works, of machinery, etc., or, if more desirable, the various branches of industry embraced by the term "Manufacture" may be distributed to a number of bureaus under the control of one department.

E. Department of the Reserve.

F. Department of Transportation, embracing railroads, rolling stock, the merchant marine, and all operations and services connected therewith.

G. Department of Communication, including the postal, telegraph and telephone service, weather bureau, signal service, etc.

H. Department of Employment.

I. Department of Distribution.

J. Department of Insurance.

K. Department of Private and Foreign Trade.

L. Department of Public Service.

M. Department of Invention and Improvement.

N. Department of Revenue.

O. Department of the Treasury.

P. Department of Education.

Q. Department of Foreign Affairs.

R. Department of National Defense, including the army, the navy, fortifications, coast defenses, yards, docks, etc., all of which may be distributed to various bureaus under the same department or separated under the management of different departments.

S. Department of Official Service.

T. Department of Public Relief.

U. Department of Initiative and Referendum.

V. Department of Penal Institutions.

W. Department of Justice.

X. Department of the Chief Executive.

2. The administration of the various departments shall be known by the name of "Executive Councils" and shall be chosen in one of the following three ways: A, by promotion; B, by the National Parliament; C, by the Provincial Legislatures.

3. The Executive Councils of the departments of Agriculture, Mining, Construction, Manufacture, The Reserve, Transportation, Communication, Employment, Distribution, Insurance, Private and Foreign Trade, Public Service, and Education shall consist of respective bodies of twelve members raised to office by the system of promotion set forth and explained in the article on Official Service. The Executive Councils of the departments of Invention and Improvement, Revenue, The Treasury, Foreign Affairs,

National Defense, Public Relief, Official Service, Penal Institutions, and the Initiative and Referendum shall also consist of respective bodies of twelve members whose appointment to office, however, shall be made by the National Parliament. The Executive Councils of the departments of Justice and of the Chief Executive shall consist each of as many members as the number of provinces or constituencies in the country, and shall be elected by the respective Provincial legislatures at the ratio of one member to every province (for each of the two departments) or, in case the province is divided into several constituencies (see Sec. 3 of "The Legislative"), one member to every constituency for each of the two departments.

4. At the inauguration of this system, all offices filled by promotion shall be filled by a special system set forth and explained in the article on Official Service.

5. The departments of Agriculture, Mining, Construction, Manufacture, The Reserve, Transportation, Communication, Employment, Distribution, Insurance, Private and Foreign Trade, and Public Service shall be known throughout this work as "Industrial Departments," all the remaining departments being termed "Civil" or "Political" departments. The cost of maintaining all industrial departments, as well as all expenses incident to their management and operation, shall be added to the prices of the different national products, utilities or services, while the cost of maintaining the civil or political departments of the gov-

ernment, as well as all expenses incident to their respective management and operation, shall be defrayed out of revenue, as provided for in detail later in this work.

6. Members of the executive council of any department shall, like all other administrative officials, hold their positions during good behavior (with the exception of the chairman, who shall hold his chairmanship for a period of one year only), and shall be subject to impeachment separately or in a body in accordance with the provisions laid down in the article on Tenure of and Removal from Office.

7. The chairman and vice-chairman of the Department of the Chief Executive shall be known respectively as the official President and Vice-President of the Republic, and as such they shall in the name of the nation discharge all social and political duties which by custom devolve upon the official heads of nations; such, for instance, as receiving ambassadors and foreign dignitaries, signing all important State documents and parliamentary decrees, etc.

8. The functions of the President and Vice-President of the department of the Chief Executive shall be the same as those exercised in most civilized countries by the president and vice-president of an ordinary assembly according to well-established parliamentary rules, and their powers shall not exceed the powers of the same. Thus, the officials in question shall have no power to make war or peace, veto bills legally passed, dissolve or adjourn Parliament, pardon criminals legally convicted, establish or appoint per-

manent boards or commissions or functionaries of any nature, or remove from office incumbents who have been legally appointed, elected, or promoted, but shall themselves be subject at any time to impeachment and to conviction by proper tribunals of Justice, as set forth in the article on Tenure of and Removal from Office. (See Commentary, Chap. IX.)

9. Like all other chairmen of executive councils, the chairman and vice-chairman of the Council of the Chief Executive shall be elected by their colleagues, and shall ordinarily hold office for one year only, but like them also they shall be eligible to repeated re-election indefinitely.

10. The various departments may create and organize subordinate bureaus and offices for the proper execution of the various operations under their respective control. For the organization of the administration and personnel of such bureaus and offices, and their tenure of office, see articles on Bureaus and Offices, Tenure and Removal, and Official Service.

11. All departments, with the exception in some specific cases of the departments of Justice and of the Chief Executive (see "The Judiciary" and "The Chief Executive"), shall be under the immediate control and supremacy of the National Parliament, whose orders must be faithfully executed as long as such orders do not conflict with the letter or spirit of this constitution. Should any parliamentary order to one of the departments be deemed unconstitutional by the latter, it may present the case to the Department of Justice, whose decision in the matter shall

be dealt with in accordance with the provision made in Sec. 5 of "The Judiciary."

12. All departments (that of Justice included) shall at the end of every working year furnish the Department of the Chief Executive with a full statement of all their operations and the present standing of all affairs under their control. The Department of the Chief Executive shall examine these statements, add to their number the statement concerning its own affairs, and present all of them to Parliament with such comments on some or all of them as the department last named may see fit to make. Parliament shall then be bound to make these statements public, the only exceptions being the statements of the Departments of Foreign Affairs and National Defense, which for political reasons may be kept from the public in whole or in part as long as necessary (no longer). Executive departments, however, have no right to keep any important affair from the National Parliament for any length of time.

13. Two-thirds of the membership of any executive department shall constitute a quorum to transact all business that comes within the scope of the respective body.

14. No enactment or regulation of any executive council shall become a law which has not received the affirmative votes of two-thirds of the entire membership of the same. Should Parliament, however, find at any time that the enactment of certain necessary provisions by any of the executive councils is hindered or unduly delayed because of a lack of a

two-thirds majority to enact the same, it may at once remove the proposed legislation from the council in question and pass upon the same itself as it may see fit.

15. The chairmen of all executive councils shall retain their votes in all cases.

16. Notwithstanding that the chief functions of the various departments are sufficiently indicated by their respective names, they will be defined and explained in detail separately in the succeeding articles of this work.

ARTICLE VII

THE ORGANIZATION OF TRADES

1. The enlistment of employees for the national industrial service shall be placed exclusively under the management and supervision of the Department of Employment, whose administration shall consist of twelve members appointed by the National Parliament, as provided in the article on the Executive.

2. The Executive Council of the Department of Employment shall create and organize provincial bureaus, and these in their turn shall establish local offices for enlisting employees in the national service and for other purposes which will be explained in other sections of this constitution. For the organization of the personnel of the said bureaus and offices, see "Official Service." The cost of maintaining the Department of Employment and of financing all its

operations shall be added to the general cost of the produce, as fully provided in the article on Production.

3. At the inauguration of this system, and before the official recognition of the right of citizens to obtain labor from the State on demand, the organization of trades shall be accomplished by direct enlistment, i. e., candidates who desire to enter the national service shall make direct application to the proper authorities stating the trade preferred, which applications shall be allowed in the order in which they are received until such a time as the quota of operatives needed in each trade shall have been secured.

Later, when the right to obtain labor from the State on demand shall have been officially granted, the process of industrial enlistment shall be conducted in accordance with the following system:

4. Every applicant for employment in the State service must at first offer himself unconditionally as to the kind or quality of work preferred.

5. After entering the national service, every employee is at liberty to make application for any kind of work preferred, which application must be granted as soon as a vacancy occurs in any part of the country in the national industry applied for, provided, of course, that there is no other application for the same position having a prior claim.

6. Following is the most recommendable method to be pursued in recording and granting employment applications: The employment office of every locality shall be supplied with books headed by the different trades and allowing a certain number of blank pages

to every particular branch of labor (or if preferred, separate books may be given to the different classes of employment). All that an applicant will have to do is to find (or have pointed out to him) the pages belonging to the trade or kind of employment he intends to enter, and record (or have some one record) his name and address close upon the entry preceding his, whereupon the official in charge shall attest the date, hour and minute when the application was made. These entries shall after certain short intervals be transferred to the books of the Executive Council of Employment, which in its turn shall be bound to fill all vacancies exclusively out of these application lists, and in the order in which the entries have been recorded in its own books.

7. Application entries shall be arranged in the books of the executive council of the department according to date, hour and minute when made. In case two or more entries have been made in different localities exactly at the same time and for identical employment, the entries in question shall be recorded by the department in the order in which they have been received.

8. Every applicant who deems himself capable of performing more than one kind of service has a right to record his name several times in the local application books under the headings of all the different kinds of service which he is capable to perform so as to have a better chance of securing employment in one of them.

9. Every time a vacancy in any branch of the na-

tional industrial service occurs in any part of the land, the Executive Council of the Department of Employment shall immediately be apprised of it. On receiving such information the council shall immediately communicate the same to the applicant (for the kind of employment in question) whose name appears next on its lists, at the same time giving him all particulars concerning the position, such as place, climate, steadiness of work in that branch of labor, etc. In case several vacancies occur in the same trade, and at the same time, an equal number of applicants for the same kind of work shall be informed of the fact, the priority of choice being given, of course, to those who have the precedence in the application lists.

10. Every applicant receiving such information (and providing he has not since filing his first application left national service) has the option of either accepting or declining the vacant position; in the former case, the name of that applicant shall be stricken out from the application lists altogether, while in the latter case the original entry shall be left intact in the books of the department as having the right of priority to the next vacancy, while the next applicant on the list shall be apprised of the present vacancy, etc.

11. As there are certain kinds of employment which are decidedly better suited to the nature of one of the sexes than to the other, the right of priority in enlisting operatives for such employments shall be given to the sex which is most fitted to the kind of work demanded. This distinction, however, shall be drawn

very sparingly, and in the most imperative cases only, so as not to introduce a sharp division between the two sexes in most branches of national employment.

12. With the exception of cases treated under the head of "Lock-outs," the national administration has no right to bind an applicant against his will to any kind of labor other than that applied for, after a vacancy has been accepted by him.

13. After installing an employee in one of the trades through application (this does not apply to the first unconditional entry in the national service) the same employee shall not be allowed to enter another national trade through a new application inside of one year, except on special permission from the Department of Employment. (This shall not be applied to *filing* applications, which may be done by any one at any time, the only requirement in the case of new applications after "installation" being the addition of the date of installation in the present trade or occupation to the usual form of the application entry, so that the department shall be enabled to pass such entries over in filling vacancies within the first year.)

14. Vacancies in all branches of national employment shall be created on the part of the administration, by increased demand for labor in the branch of industry applied for, and on the part of employees by death, resignation, or dismissal.

15. The expense of removing to the place of employment after accepting a vacancy shall be borne entirely by the applicant in question, while all expenses which may be incurred in transporting laborers from

place to place for industrial purposes *during their service* in the employ of the nation shall be borne by the State.

16. The contingent of laborers which are engaged at any time in their first unconditional service of the State shall be designated in this constitution as the "Novitiate," and the members thereof, during their stay in that service, may be put to any kind of work, except in case proof is furnished by the employee in question of his incapacity to perform certain kinds of work on account of ill-health, etc. The novitiate may last one day or several years according to the frequency with which vacancies are created at the time in the trade applied for. It is also evident that a considerable number will never leave the novitiate because of their incapacity or unwillingness to enter any of the professional trades. Members of the novitiate shall be paid according to the standard of wages prevailing at the time in a majority of the national industries.

17. The administration shall seek by all means open to it to remove the objectionable features at present attending some occupations, so as to equalize all kinds of labor (as far as possible) in point of desirability.

18. The Department of Employment may suspend enlistment in some of the trades for any length of time if it finds such a course necessary in order to reduce by degrees the labor-force of that trade. It may also encourage it in others by offers of higher wages, etc. In all such matters, however, it must be

guided by the instructions of Parliament as based upon considerations of the needs of the State.

19. After the official recognition of the Right to Labor, every applicant for national employment possessing the necessary qualifications set forth in the first section of the article on the Rights of Individuals, shall be entitled to receive the full standard wages immediately upon application for work whether such applicant is given immediate employment or kept idle.

20. Applicants for, or employees in, the national service may be rejected altogether for lack of health or ordinary intelligence, or for lack of other necessary qualifications enumerated in Section 1 of the article on the Rights of the Individuals (for the provision of persons so rejected see "Public Relief"). In the absence of such disabilities, employees shall hold their positions until vacated by death or resignation.

21. Parliament shall have the right to prescribe penal measures for the punishment of national employees or officials found guilty of insubordination, neglect of duty, absence for certain periods without leave, etc., the usual nature of such penalties to be degradation for certain periods, or forever, as the case may justify, from particular trades into the ranks of the novitiate, or suspension from national service altogether for certain periods not exceeding an aggregate of one-half of every working year. In all such cases, however, the charges must be proven in a Labor Court before they can be punished, and even then, if the offense committed is not criminal in its nature, the

accused must be given the alternative of leaving national service altogether rather than undergo the punishment imposed. In case, however, the latter course is adopted by the accused, he shall not be received into national service again before undergoing the old sentence.

22. Charges of dishonesty or breach of law or of the peace when brought against employees or industrial officials shall, besides the above punitary measures, be dealt with by the proper courts of justice.

23. Employees who, after being received in some particular trade by application, are found to be incompetent for the work demanded, may, at any time, be reduced to the ranks of the novitiate.

24. An applicant for employment in one of the trades requiring skill and presupposing previous training must on filing his application furnish the proper authorities with sufficient proof of his competency to fill the position applied for, said proof to consist in graduation certificates from one of the national or private schools duly authorized by the Department of Education, or in examinations passed before special boards established for the respective purpose by the Department of Employment.

ARTICLE VIII

PRODUCTION

1. All producing departments shall at the beginning of every working year receive instructions from Parliament as to the extent of the operations required of them respectively during the coming year.

2. At the finding of any one of the executive departments that a certain commodity or article which is at the time obtained in whole or in part from private or foreign manufactures is capable of being manufactured and sold at the same or lower prices by the State without hampering or causing injury to other national operations, and providing that such finding is verified to the satisfaction of Parliament, the production of such commodity or article by the State must immediately begin. (This provision shall apply to the extension of national activity in old as well as to its introduction into new fields of industry.)

3. All the necessary disbursements to private parties required of the various industrial departments, and including those of Employment, Distribution, and the Reserve, such as wages of labor and managing officials, cost of material (bought from private or foreign parties), small repairs on buildings and machinery, etc., shall be made by written order upon the Department of the Treasury (or its sub-offices), which latter department shall keep a separate account with every one of the said departments. Civil and political

departments shall in the same way draw upon the Department of Revenue.

4. With the exception of the Department of Distribution, and the various public service departments (such as those of Transportation, Communication, etc.), no producing department shall turn over any portion of its output to any party other than the Department of Reserve or its order; neither shall any department, whether political or industrial, obtain any materials, commodities, machinery or services that may be needed in its respective operations from any party other than the department just named or its order.

5. All transfers of goods from one industrial department to another (with the sanction of the Department of the Reserve) shall be made by written order alone, without any payment of currency. In case, however, the transfer is made from an industrial to a political department, the cost of the goods transferred shall be paid by the Department of Revenue to that of the Treasury in national currency.

NOTE.—An arrangement may also be made whereby industrial departments shall transact all their respective business on a cash basis, themselves paying in national currency the wages of their respective employees and the cost of all materials used by them respectively, and being paid in cash (on a cost basis) for all services and transfers of goods, whether rendered to private or official parties. The cash required by the various departments for their respective current expenses (before returns are received from sales of manufactured products), would according to this system be advanced them by the national treasury, to be repaid by them later from proceeds that shall be realized from sales or transfers of produce.

6. The cost of all buildings, machinery, improvements on land, etc., shall be repaid to the administration in a number of annual instalments distributed in each case according to the judgment of the National Parliament. Said instalments (henceforth termed "Renewals"), together with the interest upon the same (if a national loan had been made for the purpose), shall in the case of producing or service-rendering departments be charged to the cost of their respective annual output of commodities, utilities or services, as the case may be, while in the case of civil or political departments the above items of cost shall be recovered out of revenue. As it will be shown later, however, debts of the type treated of in this clause are at any time liable to be paid off in whole or in part out of profits accruing to the national treasury. (See "The National Treasury.")

ARTICLE IX

DISTRIBUTION

1. All operations connected with the work of distributing the produce of national industries to home consumers shall be under the management and control of the Department of Distribution. To facilitate these operations, retail department stores shall be established in every locality, and stocked with a variety of commodities and articles calculated to meet ordinary demand in the respective localities; the number and location of such stores in every settlement

to be determined with a view to area and density of population. To facilitate the localization of such establishments every settlement shall be divided into a certain number of store-circuits, every circuit to have one department store.

2. Besides the produce of national industries, public department stores shall also contain sufficient supplies of commodities and wares of foreign or private manufacture for which there may at the time be a demand in the community.

3. In case a certain commodity demanded by a citizen happens to be absent from his circuit-store, the management shall be bound to procure it for him, providing, of course, that it is procurable and that the citizen demanding the same is willing to pay the price.

4. Before turning over any of the national commodities, utilities, or services in whole or in part to the public for consumption, the administration shall add to the net cost of the same in material, labor and management (as reported by the respective departments which produced them) the cost of maintaining the Departments of Employment, Distribution, and the Reserve, together with all expenditures incident to all bureaus and offices under their respective control; the cost of storing, preserving and insuring all national supplies for the time in which they remain under the care of any of the industrial departments and up to the time they are disposed of to the public; the cost of insuring all public buildings, machinery and furnishings in possession of any of

the industrial departments, and including the above-mentioned three departments; the annual cost to industrial departments of repairs and renewals, and indemnities for seized property (if any) together with the interest upon all unpaid balances of the latter, and the annual instalments of principal and interest on the national debt (if any) in proportion as any or all of the above-specified expenditures enter into the quantity of produce (or amount of service) at the time disposed of. The figures resulting from the said operation shall in all ordinary cases constitute the retail selling price of commodities and services to the public.

NOTE.—The principal of national loans, or any part thereof, that was used to relieve a temporary stringency of currency (which may happen when the administration finds itself obliged to engage in the production of a new stock of commodities before the old stock has been turned into cash), or for the acquisition of means of production, such as industrial plants, machinery, etc., shall not be charged to prices, for the reason that in the former case the administration will be enabled to liquidate the said loan as soon as the supply of currency in the national treasury is augmented (by receipts from sales of national products), while in the latter case the amount needed for the repayment of the respective loans has already been charged above to the annual instalments of Repairs and Renewals.

For wholesale prices of national products, see "Private and Foreign Trade." For cases of Scarcity and Emergency, see "Prices."

5. Should it happen that according to the aforesaid calculation the selling price of a certain commodity produced by national industry shall be higher than the price put upon the same by private or foreign

producers, the Department of the Chief Executive with the assistance of efficiency experts shall at once set to work to discover the true cause of the said state of affairs. Upon discovering the fault, and providing the same is found to be remediable, it shall at once be remedied; while in case the advantage of the said private and foreign producers is due to some secret and unobtainable process, or to some special skill of certain operatives who happen to be unprocurable for national service, Parliament may abridge, or, if necessary, entirely discontinue its operations in the respective field of industry until such a time as it shall find itself able to reduce the cost of production in the same to the required point. No power in the realm, however, shall prevail to hinder or restrict national industrial activity to a degree where the cardinal principles of this constitution would be endangered. (See "First Principles.")

6. All sums of national currency received by the Department of Distribution in exchange for commodities, and by public service departments in exchange for the various services dispensed by them respectively to the public, shall be turned over to the Department of the Treasury.

For the organization of the Executive Council and personnel of the Department of Distribution, see the "Executive," "Organization of Trades" and "Official Service."

ARTICLE X

THE NATIONAL RESERVE

1. It is evident that owing to the saving propensity of the human species, the total annual consumption of a community will always fall short of the total annual production of the same. In other words, a certain portion of the total amount of national currency distributed annually in wages, etc., will remain unconverted, and a corresponding quantity of national products will be left in the national stores. This surplus of the national produce shall constitute what may be termed "The National Reserve," and shall be entrusted to the care and management of the Department of the Reserve.

2. It is also evident that frequent changes in the relative quantities of the different national products on hand will become necessary so as to make them correspond to the proportionate difference in the relative demand for the same that may set in from time to time. Again, there is the case of unpreservable commodities, which can be reserved only by periodically bringing out the old supplies for distribution, and putting new supplies in their stead. There is also the case of private or foreign products which cannot be represented in the national reserves without a system of trade or exchange. In all such cases the Department of the Reserve shall have the power to regulate, change, and modify, by trade or exchange

(through the Department of Trade), the relative quantities of commodities in its possession. All profits or losses arising out of such transactions shall be balanced by the Department of the Treasury.

3. In case at any time during the operation of this system the general surplus left over in the national storehouses shall swell to undesirable proportions, the administration shall take steps to reduce the daily hours of labor in all national industries.

4. In case the surplus of only one or a few kinds of products becomes unnecessarily large, the administration shall either find an outlet for that surplus in private or foreign markets in exchange for some other products, services, or utilities, for which there may be a demand at home at the time, or reduce its own future output of the commodity or commodities in question to the limit warranted by demand. In case of scarce commodities (which sold hitherto above cost and which are now found to be abundant), the same object may be attained by reducing prices so as to increase demand. Prices, however, shall never be reduced below cost, except in special cases treated of in the article on "Prices."

5. In case the reserves of one or a few commodities fall short of the desired limit, the administration shall either increase its own output of said commodity or commodities, or, if this course is not feasible, procure additional supplies from private or foreign markets, or, if this is also impracticable, raise the price of the commodity in question to a degree which will bring demand down to supply.

6. The Department of the Reserve must prepare against a sudden closing of foreign or private markets by keeping the supply of private or foreign commodities in its stores at a point sufficient to meet the ordinary demand for a length of time during which the industry in question may be organized or extended at home, or new markets found.

For the organization of the Executive Council and personnel of the Department of the Reserve, see "The Executive," "Organization of Trades" and "Official Service."

ARTICLE XI

AGRICULTURE

1. The nature of the agricultural industry is such as to demand widely different quantities of human labor at the various seasons of the year. The administration shall therefore, in the enlistment of operatives for that industry, follow the rule of averages; in other words, it shall ordinarily maintain in that industry a force of laborers proportionate to the amount of work that will have to be done during the major part of the year, supplementing that force in the busy harvest time, or in other cases of necessity, with the required number of laborers out of the ranks of the "novitiate," while during the time of waiting and watching any surplus of labor that could be spared from the regular force may be diverted to any work that has some affinity to agriculture, such as

cattle raising, clearing and breaking new soil, lumbering, etc.

2. The Department of Agriculture shall strive to concentrate the farming population of the respective rural districts into comparatively large settlements so as to enable them to enjoy municipal benefits, as far as practicable, alike with their fellow-citizens of the towns.

3. The Department of Agriculture shall have control only over agricultural lands used in State operations. All other grounds legitimately covered by cities, villages, private settlements, or private industrial enterprises, shall be under the control of the Department of Revenue or under that of the respective municipal administrations, as provided in the article on Revenue.

4. Individuals shall have the right to appropriate land and engage in agriculture as well as in any other industry, providing they comply with the provisions laid down in the article on Revenue, and in other places of this work bearing on this subject.

5. In all other respects agriculture partakes of the nature of other industries and is therefore subject to all laws governing production and distribution which have been fully set forth above, and hence need no repetition.

For the organization of the administration and personnel of the Department of Agriculture, see "The Executive," "Organization of Trades" and "Official Service."

ARTICLE XII

MINING

1. Mining, like agriculture, is one of the chief sources furnishing true economic wealth. It shall, therefore, be the endeavor of the national administration to possess itself, by the legitimate means at its disposal, of a controlling portion in the mining property of the country and operate the same for the benefit of the nation as soon as possible.

2. Raw material may be purchased from the government by private parties at home, at prices and in accordance with the rules laid down in the article on Prices.

(Fear may be entertained for a drain on the metals and raw materials by exporters; however, the fact that the government has power to raise the exchange value of any commodity or material as soon as scarcity of the same is being felt, will entirely obviate such danger.)

For the organization of the administration and personnel of the Department of Mining, see "The Executive" and "Official Service."

ARTICLE XIII

TRANSPORTATION AND COMMUNICATION

1. The adjustment and regulation of rates of transportation and communication shall, as in the case of all other commodities or services, be determined by the respective cost of the same to the nation.

2. Where the national administration has failed to provide for the same, provincial legislatures shall have the right to construct roads and means of communication within the borders of their respective provinces and wherever they find such service necessary to their constituencies. The land needed for such undertakings shall be free of all rents and unlimited as to extent, providing, of course, that the services resulting from such enterprises shall be sold to the public at large at the true cost to the respective provinces.

3. The national administration shall have a right at any time to take over on behalf of the nation all service-producing property of the above nature in possession of any province, on condition: first, that it indemnifies the province in question to the full cost of the same, and secondly, that it continues to furnish the same kind of service to the public in the locality where it has originally been provided for by the provincial legislature.

NOTE.—Notwithstanding that individuals and private companies shall be free to build railroads, telegraphs, and telephones for profit, it is evident that private enterprise in this

direction will cease or, at least, be limited in extent under the operation of this constitution, since the land appropriated by private bodies for such purposes will be subject to seizure and other conditions laid down in the chapter on Revenue.

For the organization of the Executive Council and personnel of the Departments of Transportation and Communication, see "The Executive," "Organization of Trades" and "Official Service."

ARTICLE XIV

PUBLIC SERVICE

1. The Department of Public Service is one of the few industrial departments whose principal functions are to furnish private services of various natures direct to consumers without the agency of the Department of Distribution. By the term "Services" is meant here that class of utilities which affords the consumer some physical or spiritual enjoyment without giving him at the same time possession of any material commodity. In this class are included medical aid, theatrical and journalistic productions, etc.

2. The option as to the number and choice of services which shall at any time be furnished the public by the State, shall be left to the Department of Public Service. However, at the order of the national Parliament, any kind of service indicated must be engaged in by the said department to any extent directed.

3. All services produced by the Department of

Public Service must be sold to consumers at cost, by which is meant the cost of material consumed in the production of said services; a proportional part of the wages of all hands employed in their production, and an additional percentage representing general cost such as maintenance of the general administration of the department, repairs and renewals of buildings, insurance, interest, if any, etc., the only exception to this provision being the case of services done by the State for private *industrial* purposes, where prices may be fixed according to option, or services altogether refused, if such a course is found expedient. All profits resulting from these latter transactions shall be used for the benefit of the nation, as provided in Section 5 of "The National Treasury."

4. As the legitimate functions of the Department of Public Service which are set forth in the foregoing sections naturally comprise a large number of operations which may prove of the greatest diversity in their nature, such for instance as medical, theatrical, journalistic services, etc., the department under discussion may divide up its field of operation into any number of bureaus and offices according as it may see fit. Some of its legitimate operations, also, on account of their being too extensive to be combined with others under a single management, have by the provisions of this constitution been assigned to separate departments. This has been done notably in the case of transportation and communication services, which are placed under the management of separate departments of the same names. Other services also,

owing to their affinity with the operations of other national executive departments, have been placed under the respective control of the same; thus the business of carrying on private insurance of life and property has been placed under the management of the Department of Insurance, whose original and chief work is the insurance of national property. In the same way the operation of erecting and managing private dwelling-houses for renting purposes is placed under the management of the Department of Construction, although both of these operations are distinctly private services.

5. Should the administration see fit to extend its operations to the journalistic field (i. e., to furnish news or literary services to the public), it may of course do so, but on condition that the national press shall always remain non-partisan.

6. All expenses connected with the management and operations of the Department of Public Service shall be recovered out of the income from the respective services furnished by it.

For the organization of the administration and personnel of the Department of Public Service, see "The Executive," "Organization of Trades" and "Official Service."

ARTICLE XV

CURRENCY

1. As long as the gold standard is maintained by the other nations of the civilized world, gold and gold certificates (i. e., paper money convertible into gold which is kept in reserve for the purpose) shall constitute the basic currency of the country. (See Commentary, Chap. X.)

2. Should the administration in the course of its industrial activities experience a money-stringency at a time when the national reserves are stocked with exchangeable products and materials, it may issue in addition to the above an auxiliary currency which shall be "convertible to the bearer on demand into any and all of the various mineral, agricultural, or manufactured articles (other than gold) which are kept at the time in the national reserves for disposal to the public, as well as into any of the utilities or services furnished at the time by the State (such as facilities of transportation, communication, etc.), and at prices at which the same articles or services are bought and sold (at the time of presentation) for gold currency of equal amount."

(The paragraph given here in quotation marks shall be printed on the face of every certificate of the auxiliary currency.)

3. The units and subdivisions of the auxiliary currency shall be the same as those of the gold currency

(e. g., in the United States—dollars, dimes, cents, mills). Also both kinds of currency shall equally be considered legal tender in all the domestic disbursements and receipts of the administration in all its industrial and civil transactions.

4. The total amount of auxiliary currency in circulation shall not exceed 50 per cent of the total exchange value of all the commodities (other than gold) found at the time in the national reserves, and available for immediate exchange. It is, therefore, evident that in all new issues of auxiliary currency, all amounts of old issues of the same that have not yet been cashed in by the administration must be taken into the account making up the above percentage.

5. The administration shall not be obliged to furnish holders of either kind of currency with commodities which are not at the time found in the national reserves, nor with utilities and services in the production of which the State is not engaged at the time of demand. (Gold, however, must be furnished holders of gold certificates unconditionally on demand.)

6. The issue and management of all kinds of national currency shall be one of the functions of the Department of the Treasury. For the other functions of that department, see "The National Treasury."

7. Every new issue of either kind of the national currency must be sanctioned by Parliament.

8. Apart from the coined gold kept in the national treasury, the Department of Distribution may also

sell gold bullion or manufactured articles of that metal in the capacity of merchandise.

9. All liabilities resting on the old administration, such as expressed in paper moneys and national bonds outstanding at the time of the inauguration of the new system, shall be assumed by the new administration and shall in strict accordance with the conditions stamped on their faces be convertible into the precious metals. The date of conversion of old paper shall also remain the same as that expressed on their faces; thus, ordinary paper money of the old system shall be convertible on demand, while government bonds shall be convertible on the dates expressed on their respective faces.

10. Should the administration at the outset of its operations find itself unable to meet all demands made upon it for the conversion of old paper into the precious metals, it may divide part or all of such claims into a series of annual instalments payable during a reasonable period of years. In the meantime, however, interest at standard banking rates shall be paid on all unpaid balances.

11. The new system of auxiliary currency above defined shall not be put into effect before the State shall have become a controlling factor in the principal industries and public services of the country.

12. After the auxiliary currency shall have proven itself efficacious and stable, the government may raise the quantity of it in circulation to 75 per cent, or even to the full value of the exchangeable commodities (other than gold) that are at the time kept in its re-

serves. At the same time, however, a sufficient amount of gold currency shall always be kept in reserve for foreign trade, and also to satisfy whatever demand there may be for this particular currency at home.

NOTE.—The wider latitude allowed the administration (in the last section) for the issue of auxiliary currency will still be found within the bounds of strict conservatism, when it is borne in mind that a large portion of the said currency in circulation will be paid back to the administration for the various public services in which it is engaged (and for which no notes have been issued at all), so that there will always be a considerable margin of the national merchandise in reserve over and above the total amount of auxiliary currency based upon the same.

ARTICLE XVI

THE WAGES OF LABOR

1. The rate of wages paid to employees in the national industries shall be such as to afford them and their families all the ordinary comforts of civilized life, while at the same time leaving the State unhampered in its competition with private industry. To give the matter a more definite form, the rule may safely be laid down that wages of labor shall never fall short of a point where the annual income of a single steady worker (male or female) shall be sufficient to support a family of ordinary size according to the standard of living prevailing at the same time among a majority of the nation, nor shall it rise to a point where the cost-price of the completed national

products shall exceed the selling-price of private products of the same kind and quality in the home markets. (See Commentary, Chap. XI.)

2. It shall be the constant endeavor of the administration to maintain an equal rate of wages in all its industries. In case, however, a sufficient number of laborers cannot be secured for certain occupations at the ordinary standard of wages, the Department of Employment may, with the sanction of Parliament, raise wages in these particular occupations to a degree which will create a sufficient inducement to laborers to enlist in them, and thus fill up the shortage, the extra expenditure resulting from such action being added to the prices of the commodities, utilities, or services turned out by the respective industries. The Department of Employment shall, however, before taking such a step, endeavor to fill up the shortage in the respective occupations from the ranks of the novitiate (who have no choice of occupation); only when this expedient proves impracticable shall the government be justified in raising wages above the standard in the respective occupations. (See Commentary, Chap. XII.)

3. The administration shall regard all inequalities of wages as a necessary evil to be done away with at the first opportunity. It shall therefore constantly strive by all fair and practical means at its command to remove the objectionable features of undesirable occupations so as to be able to secure for them the full quota of laborers at the standard rate of wages, and as soon as the conditions of some such occupa-

tion (in which wages are higher than in others) shall be changed for the better by the influence of science, invention, or discovery, the administration shall (except in cases of special contract) reduce the wages of such occupations to the level of the general standard.

4. All adjustments of and changes in wages must pass both houses of Parliament before they can become effective.

5. The wages of all the different industrial, civil and political officials of the nation shall be fixed by the National Parliament, while the Province and Municipality shall respectively fix the wages of their own public officials. The wages of members of both houses of Parliament shall be fixed by a popular majority vote. The gross amount of wages paid out for official service by the State, Province, or Municipality shall never be too far in excess of what would be due the given number of men according to the general standard of wages prevailing at the time in the national industries.

6. Parliament shall create a permanent commission on wages whose function it shall be to gather all statistics and data bearing on the subject of wages and from time to time make recommendations to Parliament for wage-adjustments in accordance with its findings. The appointment of every member of the said commission shall have to be confirmed by both houses of Parliament and the recommendations above referred to shall in no case be binding.

ARTICLE XVII

PRICES

1. The exchange value of every commodity or utility produced by national industry shall be determined by the two elements, COST OF PRODUCTION and SCARCITY, and shall be subject to periodic changes and modifications in accordance with the above rule. (See Commentary, Chap. XIII.)

2. All national products and utilities in whose material or manufacture the element of scarcity does not enter, such for instance as the great majority of agricultural products, ordinary metals, wooden and earthen ware, facilities of transportation and communication, etc., shall be sold by the administration to consumers at the net cost of the same to itself (i. e., the cost of labor, materials, management, transportation, insurance, industrial buildings and machinery, etc); in other words, at prices which shall leave no margin of profit to the State.

3. All commodities or utilities which, owing to a natural scarcity in the material from which they are produced, or in the talent required for their production, cannot be produced in sufficient abundance to satisfy the demand that would naturally be made upon them, such for instance as the precious metals and stones and all articles made of them, game, rare fruits, works of art, etc., shall be sold above the cost

of their production at prices sufficiently high to bring down demand to the proportion of supply.

4. A temporary scarcity may sometimes occur in any commodity otherwise abundant, such for instance as a scarcity of certain cereals caused by a failure of the respective crops, etc. In such a case the administration shall deal with it for the time being according to the method prescribed in the preceding section for commodities of natural scarcity; i. e., as soon as the reserve fund of any commodity shows signs of too great exhaustion, and providing it cannot be replenished at short notice, the price of that commodity shall be raised to a degree which will bring demand down to the proportion of supply. (Such a state of affairs, however, in the supply of an abundant commodity, if not caused by nature or accident, shows **under-production** in that branch of industry, which the government shall always seek to avoid beforehand, and to speedily remedy in case, by lack of foresight, it occurs.) All profits realized by the sale of scarce commodities shall be used for the benefit of the nation as provided in Sec. 5 of "The National Treasury."

5. Should the cost of production, or the degree of scarcity of a certain article, for some reason or other, suddenly be reduced to a degree which renders the present value of the completed article in question at the time found in the government reserves less than its former cost of production, also in case the rate of wages for a certain period has erroneously been fixed too high, which, as a consequence swelled the

cost of the respective product to an undue degree, the price of the respective article shall not be reduced below cost before the old supply of the same commodity found at the time in the national store houses shall have been disposed of at the old cost of production. In case, however, such a course is impossible owing to foreign or domestic competition, old supplies may be sold below cost, and the losses sustained by such transactions shall be borne by the National Treasury. The same provision shall also apply to all cases where the value of national products is reduced by damage or accident (and providing that the loss cannot be recovered out of insurance), when they may be sold below cost, charging the loss to the National Treasury.

6. All the above rules laid down in this article apply only to the retail trade for home consumption. For rules governing prices in the foreign or in the domestic wholesale trade, see Sec. 4 of "Private and Foreign Trade."

7. The power of fixing and regulating prices shall be exercised by the National Parliament alone, except in special cases of urgency, when the executive departments of The Reserve, or of Distribution, or of Trade (as the case may be) may act independently, being responsible to Parliament afterward for such action.

ARTICLE XVIII

THE WORKING-DAY

1. The length of the working-day shall be fixed by Parliament and shall not be altered without the consent of both houses of the same. (NOTE.—As one of the two houses of Parliament represents the industries, it is clear that the workers will have a voice in all adjustments of wages and the working-day.)

2. The standard working-day in the national industries shall not exceed eight hours. On the other hand, it must not be so short as to make it impossible for the State to compete successfully with private or foreign producers, or to pay its employees the liberal rate of wages provided in the article on Wages.

3. The national working-day, of whatever length it happens to be at the time, must be uniform in all trades, services and professions under national control. The administration may, however, employ several shifts of laborers at different times of any one day according to expediency, providing always that the total number of hours given to labor through any one day by any one laborer shall not exceed the labor-time of the standard working-day prevailing at the time, and that night-labor shall command a higher rate of wages than day-labor, the difference to be agreed upon by both houses of Parliament.

4 In case of necessity the government may call out

volunteers in any trade or trades to work extra time over and above the number of hours contained in the working-day, provided that in no case shall the response to such calls be made compulsory, and that every individual responding to the call shall be paid for his extra work according to a rate of wages that shall be agreed to by both houses of Parliament for work at such times.

ARTICLE XIX

REGULATION OF SUPPLY AND DEMAND IN NATIONAL PRODUCTION AND DISTRIBUTION

1. The administration shall endeavor as far as practicable to keep up an even balance between the supply of national products, services and utilities, and the respective demand for the same. Following are the expedients which may be employed to that end:

2. The general supply of all abundant commodities shall be regulated in proportion to demand by means of lengthening or shortening the working-day (see "The Working-Day") as the case may require.

3. Whenever over-production or excess of supply becomes noticeable in one or a small number of *abundant* commodities, labor shall be diverted from the production of the commodity or commodities in question by ceasing to fill vacancies (see "The Organization of Trades," Sec. 18), or by lock-outs if necessary (see "Lock-outs").

4. When under-production or shortage of supply becomes apparent in one or a small number of *abundant* commodities owing to a lack of operatives, labor shall be attracted to the production of the commodity or commodities in question by drafts from the ranks of the novitiate (see "Organization of Trades," Sec. 16), or if necessary by raising the rate of wages in the branch or branches of employment under consideration (see "Wages of Labor," Secs. 2 and 3).

5. In the case of scarce articles, services or utilities, demand shall be brought down to supply by means of raising the selling price of the same to the point desired (see "Prices," Secs. 3 and 4). This provision applies to private or foreign products obtained through the Department of Trade as well as to national products.

ARTICLE XX

PRIVATE AND FOREIGN TRADE

1. It shall be the constant endeavor of the administration to render the country independent of private or foreign producers. At the same time, it is evident that while trade with private or foreign parties may under the new system automatically be narrowed in extent, its continuation under any system may nevertheless be looked upon as certain, since a free exchange of surplus goods between unrelated domestic industrial bodies, or between the producers of different countries, cannot but prove of mutual benefit. The ad-

ministration shall, therefore, place no obstruction in the way of such free exchange among private producers, nor shall it neglect in its own operations to avail itself of such trade or exchange whenever it shall find the same advantageous to the economic welfare of the community.

2. All transactions between the national administration and foreign or private producers shall be carried on by the Department of Trade, under the management of an Executive Council chosen and appointed by Parliament, as fully explained in the article on the Executive.

3. The cost of maintaining the Department of Trade and all its subordinate bureaus, offices, boards, agencies, etc., as well as all other expenses connected with its operations such as storing, insuring, safekeeping, exporting and importing of national products, shall be charged to the prices of foreign and private commodities imported by it.

4. All the provisions made above in this constitution for the management and operation of the Department of Distribution shall have no bearing whatever on the commercial transactions between the Department of Trade and private or foreign producers, the latter department being at perfect liberty to conduct such trade with a view only of promoting the welfare of the community; thus, in this case, the Department of Trade may and shall, like the present private producer, sell at the highest and buy at the lowest prices obtainable, regardless of the cost of producing the commodities in question. (It may thus

happen that the retail prices of national products at home shall be lower than the wholesale prices of the same.) The said department may also, at the order of Parliament, restrict or entirely suspend the wholesale disposal of some particular commodity or commodities, or limit the sale of certain commodities to certain countries with the exclusion of others, for any length of time if such action is found to be to the interests of the nation. Again, unlike the retail transactions with home consumers, where nothing but the national currency is considered legal tender, the administration has absolute freedom in its wholesale transactions through the Department of Trade, to accept certain commodities or products in exchange of its merchandise and reject others, according as it may see fit.

5. Parliament may make it a penal offense for any one individual or company to obtain national goods for trade or manufacturing purposes under any pretext or by any contrivance at retail prices from the Department of Distribution.

6. The Department of Trade cannot buy foreign or private products or sell the national products in its possession, except at the instructions of the Department of the Reserve as to quantity, quality, price, etc., which instructions shall be determined upon by the department last named according to the state of supply and demand of the products in question in the national reserves. It is evident, however, that in issuing such instruction to the Department of Trade some latitude must be left the latter for independent action.

7. All national currency (precious metals or certificates) needed by the Department of Trade for its various purchases shall be obtained from the Departments of the Treasury, while all supplies obtained through the said transactions shall be turned over to the Department of the Reserve or its order. In case national supplies are placed with the Department of Trade for disposal, the equivalent received for the same, if money (foreign or domestic, intrinsic or nominal) shall be turned over to the Department of the Treasury, while in case the said produce has been exchanged for commodities or materials, the latter shall be turned over to the Department of Reserve or its order.

8. Besides managing the national imports and exports, the Department of Trade shall also have the function of a stock brokerage in marketing and redeeming the national bonds as fully set forth in the article on the National Debt.

9. The Department of the Reserve shall dispose of the commodities obtained through the Department of Trade in the usual way through the Department of Distribution, while this latter department shall sell the same to the people (in exchange for national currency) at cost. In case, however, the respective products have a certain degree of scarcity, the Department of Distribution may, as in the case of home products of the same nature, fix the prices of the same at a point where supply will meet demand. The Department of the Reserve shall, however, where pos-

sible, endeavor to eliminate the element of scarcity from such products by increased trade.

10. Parliament may enact any supplementary legislation it may see fit to restrict or suppress private speculation in national products for profit, where such speculation is harmful to the nation, providing, of course, that the methods adopted are not contrary to the spirit of this constitution.

11. The administration may in case of emergency prohibit or restrict the exportation or importation by private parties of some or even all commodities for any length of time it may deem requisite. However, no import or export duty shall be imposed on any kind of merchandise without the consent of a two-thirds majority of the people, and even then, such prohibition or impost, as the case may be, shall be removed as soon as the emergency which brought it about shall have passed away.

ARTICLE XXI

STRIKES AND LABOR TROUBLES

1. Any grievance an industrial employee may have against the management of his trade, or against one of its individual officials (and providing such grievance bears immediately on the relations between employer and employee) shall be brought for settlement before one of the labor courts (see "The Judiciary," Sec. 12). In case the decision arrived at by such

court proves unsatisfactory to either of the contending parties, an appeal may be made to the Supreme Court of Justice in the Province, from whose decision another appeal may be made to the National Executive Council of Justice. The decision of this last judicial body shall be considered binding on both parties as long as the individual concerned chooses to remain in the service of the State. Should the individual concerned choose to leave the national service altogether rather than abide by the decision, he shall be at perfect liberty to do so, except in case a contract has previously been entered into for a certain stipulated time, when the terms of such contract must be adhered to.

2. Notwithstanding that the motives which lay at the bottom of Strikes under the old system of production have been removed by the provisions of this constitution, cases may perhaps yet happen where controversies shall spring up between the entire force of some trade and the national administration. In all such cases the labor force concerned shall remain in the employ of the nation while the disagreement shall le arbitrated by a special commission whose members shall be chosen and agreed upon by both the national government and the labor force in question.

3. In case the labor-force in question is unwilling to submit the dispute to arbitration, or in case it refuses to abide by the decision of an arbitration commission after the latter has been legally chosen and agreed upon, the said labor-force shall at any time have a right to leave the service of the State. In such a case, however, if the same persons subse-

quently apply again for national employment, they shall, like new applicants, have to enter the novitiate.

4. Any acts of violence committed by individuals, or by striking bodies against life or public property as a result of, or pending a decision in some disputed labor case, shall be treated as ordinary violations of law, and shall be punished according to the provisions of the penal code for offences of similar nature.

5. Any disagreement between a national labor-force and their management where the position of the latter is sustained by Parliament, shall be considered a controversy between a labor force and the national administration to be treated according to the rules laid down in the preceding clause. In case, however, the ruling under dispute has originated independently with the management of the trade in question, and providing Parliament has no bias at all in the matter, the labor force shall be sustained on all points and from its will there shall be no appeal.

For rules governing the removal of managing officials by employees, see Sec. 2 in the article on Tenure and Removal.

6. No ruling, decision, award, or agreement in any labor dispute shall be valid if it is contrary to any of the provisions of this constitution. In case the constitutionality of such ruling, decision, etc., is a matter of dispute, the question shall be referred to the Executive Council of Justice and shall be dealt with as provided in the article on The Judiciary.

ARTICLE XXII

LOCK-OUTS

1. Cases may occur where, owing to some accidental cause, it will become expedient for the administration to reduce the force of laborers considerably in some trade or trades. There are also certain industries, of which agriculture is an instance, which owing to natural causes are capable of being carried on extensively only during part of the year; in either of these cases the administration is at liberty to dismiss, or lock-out, as it is usually termed, all or part of the laboring force of any one particular kind of employment and for any length of time.

2. All persons so locked out may, for the time being, be put to any kind of employment in the national service at the option of the administration, but shall not, as a result of such lock-out from one kind of employment, be totally dismissed from national service for any length of time (except at their own desire).

3. The wages of national employees so locked out shall, during the period of their lock-out, conform to the rate of wages paid at the time for the kind of employment to which they are put during the intervening time. In case they are kept altogether unemployed they shall, nevertheless, be paid according to the minimum of wages obtaining at the time in the national industries.

4. All partial lock-outs must be made by lot, and

the names of all persons so locked out shall be placed by the Department of Employment at the head of the application lists for the trade from which they have been locked out, so that as soon as new enlistment will commence for that trade the old laborers shall be the first to return to their old occupations.

5. All national employees so locked out shall have the alternative of leaving national service altogether during the time of the lock-out without losing their priority rights when new enlistment shall commence.

6. In case the surplus of the labor force in the trade or trades under consideration is not so great as to demand a sudden and precipitate reduction, a lock-out may and shall be avoided, and a gradual decrease in the respective labor force shall rather be brought about by simply suspending the filling of vacancies in the respective industry for a time, according to the provision of Sec. 18 of the article on "The Organization of Trades."

7. In the application blanks of the different trades kept in the employment offices of the various localities (see Sec. 6 of the article on "The Organization of Trades"), the word "Periodic" shall appear at the head of all occupations which are known to furnish employment during part of the year only, so that applicants for such occupations shall know what to expect.

8. All national employees locked out of a certain particular employment shall, during the period of their lock-out, have the right to apply for any branch of the national service, which applications must be treated

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according to the laws governing all other applications set forth in the article on "The Organization of Trades," and after such applications are granted, the respective applicants shall lose the right of priority to be reinstated in their former trades and shall be treated like all other employees of the trade into which they have been received in all industrial matters.

9. Managing officials shall be subject to temporary lock-outs in the same manner and after the same method above described; in their case also, the rate of wages during the period of lock-out shall (as long as they remain in the national employ) invariably conform to the rate of wages paid at the time for the occupation or service to which they are put during that period, or, in case of total non-employment, to the minimum of wages paid in the national industries at the time.

10. National employees or officials locked out during the period of transition (i. e., before the official granting of the Right to Labor on demand), shall receive no wages during the time of their lock-out, but shall be entitled to reinstatement in their former positions as soon as new enlistment in the same shall have begun.

ARTICLE XXIII

THE NATIONAL REVENUE

1. The income required by the National Administration for the purpose of establishing, organizing and maintaining what is known throughout this work as the political or civil government of the State, shall be known as the National Revenue.

2. The entire revenue of the nation for the purpose above cited shall be derived from one and only source, viz., the rent of lands to private parties for settlement or industrial purposes. The total amount of such rent accruing to the nation during any given period shall be equal to the average national expenditure during the same period and for the purpose above cited. (See Commentary, Chap. XIV.)

3. The manipulation of rent and the distribution of it to the various political departments, bureaus, and offices shall be the chief function of the Department of Revenue.

4. All plots of ground occupied by private parties for private use, whether it be for the purpose of habitation, industry or pleasure, must yield an annual plot-rent to the State. (See Commentary, Chap. XV.) The average rate of this rent shall be fixed at a point where the total annual receipts from that source shall be equal to the total of the following expenditures for the same year: All expenses connected with the or-

ganization and maintenance of the two branches of the National Parliament and all political bureaus, offices and board established by it; all expenses connected with the organization and maintenance of the civil or political departments treated of in the article on Executive Departments as classes two and three, including the Department of Education, as well as all bureaus and offices established by any and all of these departments; the annual premium of insurance on all buildings, machinery, materials, as well as other kinds of property in the possession of any of the civil or political bodies; the total amount of the annual payment of indemnity for seized property (if any) in the possession of any of the civil or political bodies; the total amount of repairs and renewals made through the year by all such bodies; the annual instalments of principal and interest on that part of the national loans which has been applied for civil and political purposes; the cost through the year of all public works such as national parks, monuments, art collections, etc., and all other expenditures that cannot, according to the provisions of this constitution, be recovered from industry.

5. Besides the national rent every holder of land shall pay an additional rental to his respective provincial administration for the maintenance of the government of his province, and if the land in question happens to be situated within the limits of some municipality, a third rental shall be paid for the maintenance of the respective municipal administration, as provided and fully explained later in this article

and in the article on the Province and Municipality.

6. The three different rentals above treated of shall have no interdependence or relation to one another. In other words, every one of the three different administrations, viz., that of the State, Province, or Municipality, may raise or lower its own rental independent of the two others. The only connection the three rentals shall have between them shall consist in the appraisement of the comparative value of different sites, one appraisement (that of the National administration) being made for all the three different administrations; thus, a certain municipality may impose on its residents a heavier percentage of rent than that of the State, without the consent of the latter, but if one particular plot of ground within the limits of that municipality pays the State ten per cent more than another within the same limits, that proportion must be preserved in the municipal rent also.

APPROPRIATION OF LAND FROM THE INDUSTRIAL STATE BY PRIVATE PARTIES

7. All private occupation or appropriation of land outside of municipal limits shall fall into one or the other of the following two classes: SETTLEMENT LOTS, and INDUSTRIAL AREAS, the first signifying what is now generally understood under the term "building" or "residential" lots, and the second denoting areas of larger extent that may be used for wealth-producing purposes such as crop raising, cattle breeding, etc.

8. Settlement lots may be claimed by private parties

in any part of the national domain (outside of municipalities, which are treated later), which claim (if there is no other prior to it to the identical sites) shall be valid even if the particular plot desired is at the time used or intended to be used by the national administration for crop raising or some other purpose which may be attained on one tract of land as well as on another, with the provision only that in case the land in question is under crops the claimant shall either indemnify the State in full, or delay appropriation until the crops are harvested. The only case where such claims shall not be valid shall be where the desired tract constitutes at the time, or is intended to constitute in the near future, a base for important improvements by the administration such as a site for buildings, etc., or where the use to which the land in question is put or intended to be put by the administration is of a nature peculiarly adapted only to certain areas of more or less scarcity, such as mining, etc.

9. All claims to tracts of a larger area than Settlement Lots shall be classed among **industrial claims** and shall be valid only in case the desired tract is kept entirely idle by the administration, while in case the tract in question is used at the time or is intended to be used in the near future by the administration for any industrial purpose whatsoever, be it even crop raising, it shall be optional with the administration to accept or reject the claim. However, in all cases where either Settlement or Industrial claims are denied private parties on the ground of future operations

contemplated by the administration, the party or parties concerned shall have a valid claim to the same if no such operations have been started on the tract in question within twelve months from the date of such declaration.

10. Parliament shall have a right to fix the limit to the extent of areas which may be held by private parties under the title of either Settlement Lots or Industrial Areas, and to decree, if it sees fit, that no single individual shall be allowed more than one Settlement or Industrial area. It may also fix different limits for different industries; thus, it is evident that an applicant for an area intended to be used for crop raising should be allowed a larger area than what is granted another applicant for a factory site.

11. A number or company of individuals making either an Industrial or Settlement claim in common may be allowed a larger area than a single individual would be under the identical claim; such allowances, however, need not necessarily be so extensive as to comprise an average of one ordinary settlement or industrial lot, as the case may be, for every member of the company in question.

12. The terms "Settlement" and "Industrial" are applied here for the purpose only of denoting areas of different extent and shall not be construed to prohibit holders of settlement lots to do any industrial work on their premises, or to hinder holders of industrial areas from building any place of residence on the same. In classifying areas, only the *chief use* to which they are respectively put shall be considered.

13. No claim by a private party shall be valid if it relates to land held under a prior claim by another private party or parties as long as such previous claim has not been renounced. Parliament, however, may fix the length of time during which private holdings may be kept entirely idle, and decree that when such limit is passed the land in question shall revert to the State or to the first new claimant, as the case may warrant.

14. The State shall at all times have a right to seize private holdings of land whenever the areas in question are needed for public purposes, whether industrial or civil, and providing that it indemnifies the holders thereof in accordance with the rules laid down above in "Economic Rights, etc., of the State." As in the case of appropriation so also in the case of seizure, settlement lots can be confiscated only for special purposes, while industrial areas may be seized for any public use whatsoever. The same right of seizure, and subject to the same conditions and limitations, shall also be possessed by the Province and Municipality within their respective jurisdictions.

15. In the absence of public need, such as above defined, all private holders of legally acquired land shall have the right to continue in possession of the same as long as they comply with the provisions of this article. Furthermore, they shall also have the privilege to sublet, sell, bequeath or otherwise make over their rights of tenure to other parties at will, subject only to the conditions and restrictions set forth in this article. This applies to old holdings of

land at the time of the inauguration of this constitution as well as to new appropriations. The national government, however, shall have the right to suppress by legislative means all speculations in land whenever the latter are carried on to the detriment of its own operations or are found to be inimical to the welfare of the community at large.

MUNICIPALITIES

16. Settlements of five hundred souls and over shall have a valid claim to municipal incorporation. Every municipality shall have, among other rights, the right to extend its limits over an area proportionate to one square mile for every ten thousand souls of its population. The right of seizure of municipal lands by the national government shall be governed by the laws prescribed above for the regulation of private holdings under the title Settlement Lots. In all other respects, however, all rights in municipal lands shall be vested in the administration thereof; thus, as soon as a certain settlement has attained municipal rights, the government of the same shall have the power to fix the limit to areas which may be held by single parties within its limits, to prescribe laws for the appropriation of land within city limits by new settlers, and to incorporate suburban holdings with itself, providing the consent of the respective holders could be obtained for it, and providing that by so doing the total area will not exceed the limit given to municipal lands in this section.

17. It is evident that different localities and even different plots of ground in the same locality must inevitably differ from one another to a greater or lesser degree in point of desirability. To meet these differences in an equitable manner, and to preclude speculation in land, which would certainly come into vogue were the rate of rent equal throughout the country, the Department of Revenue shall have the sole right to appraise all private holdings of municipal and rural lands whether Settlement or Industrial and fix the amount of rent for every area in proportion to the demand for it. However, with all these local inequalities the total of rent-receipts received by either of the three different administrations per year shall never exceed or fall short of the total expenditure of the respective administration (for civil or political purposes) during the same period. Also the *rate per cent* fixed by any one of the three administrations must be equal for all values and for all areas, whether the latter are used for settlement or industrial purposes.

18. As the desirability or comparative value of various plots and localities are necessarily changeable by time and circumstances a new appraisement shall be made by the national authorities every three years. (Such a course, however, shall not be resorted to, nor will it ever be needed, for the mere purpose of increasing or diminishing the *total* of rent, which may be done by either of the three administrations independent of one another by simply adding to or subtracting from the rental of all plots within its

jurisdiction a certain uniform percentage according to the urgency of the case.)

19. The collection of the three different rentals may, for economic and simplification purposes, be combined under the operation of a single set of officials, either municipal, provincial, or national, according to expediency. However, the appraisement of comparative values shall always be made by the national authorities and shall be binding on the Province and Municipality in the levying of their respective rentals. All national appraisements of land must be made by experts on the subject, and the parties concerned shall have the right of appeal to an impartial jury of unofficial experts.

NOTE.—The adjustment of the rent proceeds to the required revenue by either of the administrations may seem to the uninitiated to be a very difficult matter, considering that the process will have to be coupled with a just appraisement of comparative values. In practice, however, the process will be as simple as the system of ordinary taxation to-day. All that will be necessary to do is, first, to find the total value of private holdings of real estate within the jurisdiction of the respective administration, by valuing the different sites separately and adding up the total; secondly, find the required revenue for a given year for the same administration; thirdly, distribute the total revenue over the total holdings in proportion to the comparative values of the different sites; thus, given a city whose real estate is found to be worth $100,000,000 and whose required municipal revenue for a given year is $1,000,000 (which is 1 per cent of the total real estate value), a site that is valued at $10,000 will have to pay $100 (1 per cent of its value) to the municipality. This may also serve as an example for the treatment of national and provincial rents. It is not of course claimed that the proceeds can at any time exactly conform to the required revenue, but the errors made on this point in any one year may easily be remedied during the next year by adding to or deducting

from the required amount of rent for that year. In order to guard against considerable shortage, which may be embarrassing for the time, it will be safe to add to the annual revenue an amount calculated to cover ordinary losses.

20. All lands appropriated by the State or Province for public purposes, whether industrial or political, such, for instance, as the erection of national factories, public buildings and monuments, the laying out of roads, parks, athletic grounds, etc., shall be free from all rent. The municipality shall have no right to appropriate land outside the city limits; however, all lands within city limits used for municipal purposes shall be free of both national and provincial rents.

21. Applications by private parties for grants of land situated within the limits of a municipality shall be made to the municipal government. In all other cases application shall be made to the national government.

22. As in the case of rural, so also in the case of municipal lands, the needs of the public shall have precedence over those of private parties in all matters of land-tenure where other circumstances are equal, and in the same way also shall all private holdings that are *not* needed for public purposes be allowed to remain in full possession of their respective holders as long as the latter comply with all conditions and regulations set forth in this article.

23. Like all other departments, the Department of Revenue shall not accept anything else than the national currency (intrinsic or auxiliary) in payment of rent.

24. All expenditures connected with the adminis-

tration of the civil and political affairs of the nation, as enumerated in Sec. 4 of this article, shall be paid by the Department of Revenue directly and without the agency of the Department of the Treasury. In the same way also, all currency received by any of the civil or political departments from any source shall be turned over to the department first named. In case the Department of Revenue finds itself at any time short of the total amount required to finance the said expenditures during a given year (owing to the fact that the forthcoming revenue for the fiscal year has not yet been gathered in, or owing to some other cause), it may obtain advances or loans from the Department of the Treasury in the manner treated of in the article on the National Debt, which loans shall be refunded as soon as the forthcoming revenue is collected. No separate loans from foreign or private parties shall be contracted by the Department of Revenue.

25. No other tax, direct or indirect, shall be imposed on anything (or anybody) outside the one on land.

26. Any expenditure of national funds that will wholly or partly, directly or indirectly, benefit some civil or political institution shall to a proportional extent be defrayed out of revenue. On no occasion, however, shall the national revenue be drawn upon for the financing of purely industrial operations; all such expenditures being chargeable to the prices of the respective commodities, utilities, or services turned out by such operations.

27. All services of an industrial nature which the

Department of Revenue or any of its financial dependents may require from the outside shall be performed by national labor, except on express permission by Parliament.

For additional laws governing provincial and municipal rent, see "The Province and Municipality."

ARTICLE XXIV

CONSTRUCTION

1. Should the State decide to engage in the industry of building dwelling houses for the purpose of renting them to the people (and it is recommended that the State shall do so as soon as practicable), the operation of that industry shall be under the control of the Department of Construction.

2. Tenants occupying national buildings shall, besides the treble plot-rent treated of under Revenue, also pay the Department of Construction a sum sufficient to cover the repairs and renewals of the respective buildings. This shall include the cost of the structure distributed in annual instalments over a number of years corresponding to the time the structure in question is likely to stand if not destroyed by accident, the annual interest on unpaid balances, and the cost of keeping the structure fully insured and in good repair.

3. Should any building outlast the time over which the cost of its construction has originally been dis-

tributed, the annual payments for cost of construction shall be discontinued.

4. Any tenant of a national building shall have the privilege of retaining possession of the same as long as he complies with the requisites of this constitution and all subsequent legal enactments.

5. Besides construction for renting purposes, the Department of Construction may also build dwelling houses for sale outright to private parties for dwelling purposes; in which case only the cost of production shall be recovered by the State. The said department shall also do all the construction work for the various national departments at net cost to itself. In case, however, the State ever undertakes to erect industrial buildings for private parties and for industrial purposes, it shall have a right to sell the same at the highest prices obtainable and without regard to cost of production.

6. All buildings occupied by private parties, whether for dwelling or industrial purposes, and whether rented or bought outright, shall be subject to seizure by the State, in accordance with the provisions set forth in the article on Revenue.

ARTICLE XXV

REPAIRS AND RENEWALS

1. Every department, whether industrial or political, shall at the beginning of the working year be authorized to spend a certain sum of money for making repairs and renewals of its buildings and machinery; said amounts to vary in different cases

according to the difference in the wear and tear of buildings and machinery involved in the different operations pursued by the various departments, and according to the urgency of special cases; said grants to be repaid during the coming year out of Prices or Revenue according as the borrower is an industrial or political department, as provided above in Sec. 6 of the Article on Production. Cases, however, may occur where the expense of repairs and renewals granted to some department or departments will be too heavy to be levied altogether out of one year's output or revenue, as the case may be, in which case Parliament shall be free to distribute the repayment of said sums over any period of years it may deem proper to fix upon, providing that such period shall not extend longer than the repairs or renewals in question are likely to last under ordinary circumstances. As to the means of obtaining the funds required for the said purposes see "The Treasury" and "The National Debt."

2. All grants for purposes treated in the preceding section shall be advanced by the Department of the Treasury, or of Revenue, according as the money is needed for industrial or civil purposes respectively.

3. In case the funds for making these grants have primarily been obtained by the administration through an issue of interest-bearing bonds, as explained in the article on The National Debt, the annual instalments of interest on the same shall also be recovered out of revenue or prices, according as the principal has been expended for political or industrial purposes. (See "The National Debt.")

ARTICLE XXVI

NATIONAL INSURANCE

1. The cost of insurance, like all kinds of national service, shall be fixed at a point which shall leave no profits to the administration, i. e., the total amount of premiums paid annually to the Department of Insurance shall barely cover the total indemnities paid out by that department for damages and losses of insured property during the same given time, with the only

addition of the expenses incident to the management and operation of the department itself, and all the bureaus and offices under its control.

2. The cost of insurance to political departments shall, like all other expenses connected with their operation, be drawn out of revenue; while in the case of industrial departments the respective premiums shall be paid by the Department of the Treasury and the amount added proportionately to the prices of the national products.

3. Besides the principal function of the Department of Insurance, namely, that of insuring national property and products, it shall also organize and control bureaus of life, accident, and property insurance, whose function shall be to insure private applicants against death, accident, or loss, as the case may be, at premiums not exceeding the cost of indemnities, management and operation. It shall also establish a bureau of Public Trust whose function it shall be to receive and guard all articles of value entrusted to it by private parties for safe-keeping, also to act as public trustee, receiver, or executor, whenever such shall become requisite. The maintenance of such bureaus and all expenses connected with them shall be derived out of fees paid by the private parties making use of them, which fees, however, shall not exceed the expenditure involved in their respective services.

4. In fixing the premiums of insurance for private *business property* the administration is free to charge any rate of profit it sees fit (see Sec. 3 of the article on Public Service), which profit shall be turned over to the National Treasury.

5. The supreme management and control of the Department of Insurance shall be entrusted to a council of twelve members chosen and appointed by Parliament, and the cost of managing and operating that department and all bureaus and offices under its control shall be added in uniform rates to the various premiums of insurance.

ARTICLE XXVII

THE NATIONAL TREASURY

1. The chief functions of the Department of the Treasury shall be: (1) The issue and safe-keeping of the national currency (see "Currency"). (2) The financing of the various industrial departments (see "Production"). (3) The issue and redemption of national bonds (see "The National Debt"). (4) The disbursements of indemnities for seized property (see "Economic Rights, etc., of the State"). Other and secondary functions of the Department of the Treasury are either too self-evident to require mention or are set forth elsewhere in this work.

2. All moneys or bond-certificates (domestic or foreign) received by any of the industrial departments from any source whatsoever shall be turned over to the Department of the Treasury. From the Department of Revenue, the Department of the Treasury shall receive all instalments of principal and interest on the national debt, in so far as the same was expended for political or civil purposes.

3. Out of the above receipts, the Department of the Treasury shall cash all orders drawn upon it by any and all of the industrial departments, bureaus and offices, in the course of their legitimate transactions; pay all insurance premiums on all buildings, machinery and stock in possession of all industrial departments; all indemnities for seized property (in

possession of any industrial department), and, all instalments of principal and interest due on all national loans (whether the same were used for industrial or political purposes).

4. The surplus of receipts over disbursements accruing to the Department of the Treasury out of the above transactions (due to profits resulting from the sale of scarce commodities, as set forth in the article on Prices, or from produce and services disposed of to private industrial concerns, as set forth in the article just named and in Sec. 3 of "Public Service," as well as from any other cause), shall form a reserve fund which shall be at the disposal of Parliament for the benefit of the nation. Thus, Parliament may, on behalf of the nation, draw upon the said fund to any extent and for any branch of the national service, such, for instance, as the liquidation in whole or in part of the national debt, financing war or scientific expeditions, extending the national means or facilities of production, reducing rents (revenue), etc. On the other hand, should the receipts of the Department of the Treasury at any time fall short of the demand made upon it according to the provisions of this constitution (owing to some unexpected loss or damage to national products or properties) the shortage shall, for the time being, be covered by national loan, to be repaid later in the manner described in the article on the National Debt.

5. Owing to the vastness of the operations required of it, it is evident that the Department of the Treasury will have to establish a large number of bureaus and

sub-offices throughout the land. For the organization of the administration and personnel of the Department of the Treasury, see "The Executive" and "Official Service."

6. The cost of maintaining the Department of the Treasury and all its subordinate bureaus and offices, as well as all other expenses connected with their operations such, for instance, as the storing, insuring, safe-keeping, transporting, etc., of the national funds as long as they remain under the control of the Department of the Treasury, shall be drawn out of Revenue.

ARTICLE XXVIII

THE NATIONAL DEBT

1. The national administration shall have the power to issue interest-bearing bonds to foreign or private parties for the following purposes: First, at the inauguration of this system to enable the nation to procure for itself the necessary means of production such as industrial buildings, machinery, raw material, etc., also to defray the various expenditures incident to production during the interval preceding the time when proceeds are derived from sales of completed products; and secondly, during the operation of this system, for the sake of meeting some heavy or unexpected loss or expenditure incurred by any one of the political or industrial departments (where such loss cannot be indemnified by insurance), such, for

instance, as war, destruction of property or crops by eruption, inundation, drought, etc., or for the sake of increasing the national activity in those branches of industry in which the nation is engaged, or extending it to new fields, and providing that the surplus found at the time in the national treasury is insufficient for the purpose in question. These bonds, together with the old national bonds outstanding at the inauguration of this system, and the securities issued at the inauguration of this system for seized property, shall constitute the principal debt of the nation.

2. The issue, marketing, and redemption of bonds shall be the proper function of the Department of the Treasury, which function shall be exercised at the order of the National Parliament only.

3. Both the principal and interest expressed in national bonds shall be made payable in gold.

4. All currency (domestic or foreign, intrinsic or nominal) received in exchange for national bonds shall be retained by the Department of the Treasury, while all merchandise so received shall be turned over to the Department of the Reserve. In all direct exchanges of national bonds for merchandise, the administration shall be guided by the instructions of the Department of the Reserve as to quantity and quality needed by the nation.

5. Both the principal and interest of the national loan shall be repaid the proper recipients out of prices or revenue, in proportion as the said loan was expended for industrial or political purposes; in other words, the portion of the national loan that was ex-

pended for civil or political purposes, together with the interest thereon, shall be charged (in a number of annual instalments) to revenue (rents), and shall be annually collected by the Department of Revenue, and turned over directly to that of the Treasury (see Revenue), while that part of the national loan which was spent for industrial purposes, together with the interest thereon, shall be divided in as many instalments as is deemed proper and added in uniform rates to the prices of the completed national products (as all currency received by any industrial department is by the provisions of this constitution turned over to the Department of the Treasury, the said instalments of principal and interest are bound to find their way sooner or later to the coffers of the said department), thus, in either case, the Department of the Treasury shall find itself in possession of funds wherewith to liquidate the national debt when due.

NOTE.—The principal of national loans, or any part thereof, that was used to relieve a temporary stringency of currency, or for the acquisition of public buildings, machinery, etc., shall not be charged either to prices or revenue, for the reason that in the former case the administration will be enabled to liquidate the said loans from the proceeds of future sales of national products and from regular collections of revenue, while in the latter case, the amount needed for the repayment of the said loans has already been charged to the annual instalments of repairs and renewals.

6. When it said that the principal and interest of national bonds will have to be repaid entirely out of prices or revenue, it is assumed that during the period intervening between the issue and redemption of the

bonds in question, there is no surplus of profits in the national treasury; however, as such a state of affairs is not likely to prevail under the operations of this system for any length of time, both the principal and interest of national loans may, at the order of Parliament, be liquidated in whole or in part at any time out of the national treasury without the necessity of taxing either industry or revenue for that purpose. At any rate, bonds shall not be issued, nor shall interest on bonds outstanding be charged to prices or revenue, as the case may be, as long as there is a surplus in the national treasury sufficient to cover the required amount.

7. All debts contracted by the old government before the inauguration of this system shall be binding on the new administration, and shall carry with them all the provisions and conditions made by the old government at the time of their contraction.

NOTE.—From the foregoing provisions it may be seen that the national debt may consist of old and new bonds outstanding in the hands of foreign or private parties, together with the gross amount of interest due on such bonds, and, the total amount of indemnities on seized property outstanding at the time of consideration. Again, the national wealth (i. e., the wealth of the state as a corporate body) does not consist in the gross quantity of produce contained in the stores of the Department of the Reserve and Distribution (as the greater part of such produce represents nothing but the savings of individuals who did not see fit to consume their annual earnings and may therefore be called the wealth of private citizens kept for them in trust), but, in the value of that part of it which is over and above the amount of currency outstanding in the hands of consumers at the time of consideration; in land and all sources of wealth that it contains as well as all improvements incorporated in it at the

time of consideration; in public buildings, machinery, etc., in possession of the various national departments, and in the surplus of profits in the national treasury. It is thus seen that there may be great national wealth with both the national reserve and the national treasury at the lowest ebb (the wealth consisting in natural resources and means of production).

ARTICLE XXIX

THE JUDICIARY

1. The chief and general management of the entire machinery of Justice shall be vested in a representative body consisting of one member to every Province and chosen by the respective legislatures of the same. In case a Province is divided into several constituencies (see Section 3 of the Legislative), it shall be represented in the Department of Justice by one member for every constituency. (See Commentary, Chap. XVI.)

2. The qualifications required for holding office in the chief judicial body of the nation shall be service in the Department of Justice and residence in the Province represented, both for a period of five years previous to election, and a satisfactory passage of the examinations prescribed by the Department of Official Service for that grade of service.

3. The Department of Justice, including all bureaus, offices, judicial boards, tribunals, and courts under its jurisdiction, shall be wholly maintained and financed out of revenue, while the services of all these estab-

lishments shall be furnished to the public free of all charges.

4. Apart from judicial services the Department of Justice shall also furnish every applicant with legal counsel or attorney's services free of charge and on demand. (See Commentary, Chap. XVII.)

5. The Executive Council of Justice shall have the power to annul any enactment of the National Parliament, or that of any other legislative, administrative or judicial body whenever it shall find such enactment contrary to the letter or spirit of this constitution, or having a tendency to counteract any of its provisions. In case the finding of the Council relates to one of the basic principles of this constitution (see First Principles, Section 1), its decision in the matter shall be final, while in all other cases the enactment in question may be repassed by a two-thirds majority vote of the people, whose decision shall in this case be final. (See Commentary, Chap. XVIII.)

6. Neither the Executive Council of Justice nor any of the minor courts shall have the power to modify or in any way interfere with the enactments of Parliament or with those of any other legislative, administrative or judicial body, where such enactments are not of the nature defined in the preceding section.

7. To obviate unnecessary litigation over the constitutionality of legislative enactments, the following measures are recommended: (1) Parliament shall create a permanent Committee on Laws which shall examine all proposed measures previous to their being

acted upon by the former (see "The Functions, etc., of Parliament," Sec. 14). (2) The said Committee on Laws may freely consult with the Executive Council of Justice in regard to the constitutionality of any proposed legislation. (3) The Executive Council of Justice need not wait for actual litigation that may involve the constitutionality of a given legislative act, but, to the contrary, as soon as any doubt as to the constitutionality of a given measure is brought to its notice, either by one of its own members or by any other party, official or unofficial, it may (and shall) give immediate judgment upon the respective question.

8. The Executive Council of the Department of Justice shall be considered the highest and last appellate court of the nation and its decision shall be considered final in all matters submitted to it (outside of constitutional cases, which are treated in Sec. 5 of this article).

THE ORGANIZATION OF MINOR COURTS

9. The administration of the Judicial Department shall create and organize a separate bureau of justice for every one of the provinces; said bureaus shall constitute the highest courts of the respective provinces and their function shall be to create and organize minor courts of justice in the various localities (such, for instance, as criminal, probate, divorce, common pleas, and appellate courts). The number of such courts in every one of the various provinces shall be

proportionate to the populations of the same, and the choice of localities for their establishment shall be made with a view to convenience and equidistance.

10. The members of the various provincial bureaus and minor courts of justice shall, like the members of all other bureaus and offices, be appointed by the ordinary system of promotion explained under the head of Official Service.

11. No province or municipality shall have separate courts of Justice for the enforcement of local enactments, the national courts of the respective provinces or localities being bound to enforce the laws of the province or municipality with the same rigor as those of the State.

12. Labor courts shall be established at convenient points; said courts to have jurisdiction in all disputes arising between individual employers and employees whether the parties to the dispute are engaged in the service of the nation or in private operations. They shall also have full power to mete out punishment to the guilty party in accordance with the penal laws prescribed for the offense in question, at the same time, however, reserving to either of the parties the right of appeal to higher courts or to the Executive Council of Justice itself.

13. The provincial courts of justice shall have jurisdiction only in their respective provinces. Private cases which happen to concern parties of two separate provinces shall be tried in the province of the defendant.

14. All controversies to which one of the provinces,

or the nation as a body, is a party shall be tried originally by the National Executive Council of Justice.

15. Neither the Executive Council nor any other court of justice shall have jurisdiction in cases where a foreign government is involved without the consent of the respective government; ordinarily, such cases shall be submitted to international courts of arbitration, or in the absence of such, to a commission appointed by the two powers concerned.

JUSTICE AND JUDGES

16. The National Constitution shall form the highest law of the land and any person violating the same shall be liable to conviction before any court of justice. The chief function of the Department of Justice shall be: First, to enforce all constitutional and parliamentary enactments, and second, to frame, revise, codify, and enforce penal laws against civil and criminal offenders. The exercise of this second power shall be subject to reversal by Parliament in every case.

17. The penal code shall at the inauguration of this system be revised by the Department of Justice, eliminating from it all that was prompted by the old, and now discarded, economic conditions of society, as well as all other statutes which have nothing else to recommend them except precedent.

18. There shall be no other national law apart from what is contained in this constitution, in subse-

quent parliamentary acts, and in the national penal code. Judicial decisions rendered in particular cases shall have no force whatever to serve as precedents for other cases unless they have subsequently been enacted as Statute Law or embodied in the Penal Code.

19. The provincial and municipal legislatures shall have no right to enact laws or regulations which are contrary to any of the provisions of the national constitution or penal code and all laws so enacted shall be null and void. Public officials who shall be found guilty of enforcing laws of the above nature, or of acting unconstitutionally on their own initiative, or of failing to enforce the constitution when it is their duty to do so, shall be penalized to a degree which will render offenses of this nature rare.

20. Charges of treason or neglect of military duty shall, like ordinary cases, be tried by civil courts of justice, and shall be conducted in the province where the crime has been committed, or, if committed on foreign soil, in the province of the defendant. (See Commentary, Chap. XIX.)

21. Trial by jury shall be granted in all cases upon request of one of the parties to any suit brought before any court of justice.

22. All juries must be composed of men whose abilities, knowledge, occupation, or circumstances render them competent to judge of the merits of the particular case which they are called upon to try. The authority to decide on the said qualifications shall be vested in the presiding judge who shall therefore

have the right to object to any person serving on a jury who, in his judgment, is incompetent to judge of the matter in dispute. (See Commentary, Chap. XX.)

23. Judges are public servants whose function it is to administer and enforce the laws of the land. Their person is not more sacred than that of any other public servant, and their prerogatives shall be no greater.

24. Judges shall interpret the laws according to their most evident meaning and intent, and shall have no right to add to them or detract from them, or to twist them out of their most evident intent; neither shall they have a right to issue arbitrary orders which do not relate to the proper discharge of their legal functions, or injunctions restricting the liberty of movement or action of any individual or body of men because of a suspicion or allegation that the persons in question are intent on wrong-doing—the right province of courts and judges being to deal with crime after it has been committed. (As to the prevention of crime, provision will be made for it later in this chapter.)

25. The violation of any of the provisions contained in the preceding section shall render the judge or judges committing the same liable to conviction or impeachment, as the case may justify; while the decision or order so illegally given shall be null and void. (For the removal of members of the Executive Council of Justice, see "Tenure and Removal," Sec. 2.)

26. Cases may come before judges to which none

of the written laws in force are applicable. Cases may also occur where the interpretation of certain laws is not sufficiently clear to the judge. In all such cases the judges in question shall have no right to render any decision before consulting the Executive Council of Justice on the question. In case the suit in question deals with provincial or municipal laws, the question shall be referred to the supreme judicial body of the respective province or municipality, whose decision in the matter shall be final.

27. The Department of Justice shall have the right to enact any reasonable laws for the punishment of disobedience to judicial decisions or orders *legally* issued by the various courts of justice; which laws, if approved by Parliament, shall be as valid as all other laws of the land. No judge, however, shall have the right to impose any arbitrary penalties for said offenses other than those so prescribed; nor shall any laws be passed by any legislative, administrative or judicial body imposing penalties for interference with or hindrance of court which shall be severer in their nature than those for the abuse of or interference with any other public servant while the same is engaged in the proper discharge of his public duties.

28. Adverse criticism of any action or decision of any judge or judges shall be perfectly permissible, such offense as "contempt of court" being considered non-existent; in case, however, the allegations in question are of a slanderous or incriminating nature, the judge so accused shall have the same right to seek redress by law against the slanderer as any private

person would have in similar cases. (See Commentary, Chap. XXI.)

29. No physical or mental pressure of any nature shall be brought to bear on any person for the sake of forcing from him an admission of guilt against himself or any kind of testimony against some other person, and any admission or testimony so forced shall be null and void; while the person or persons guilty of such procedure shall be liable to impeachment and conviction for their action.

30. The Executive Council of Justice shall establish a bureau for the Prevention of Crime whose function it shall be to gather data, suggestions, etc., bearing on the subject of preventing or lessening the committal of crime; the most practical and beneficial method of dealing with criminals, etc., which material, together with the original suggestions of the Executive Council of Justice on the subject shall, from time to time, be presented to the National Parliament for action.

ARTICLE XXX

PENAL COLONIES

1. The old-time prisons, with their health-destroying cells and manhood-degrading bars, shall be entirely abolished. Their place shall be taken by penal settlements or colonies similar in nature and area to free rural settlements or townships of equal population. Within the limits of said colonies, convicts shall

have full liberty of movement and ordinary comforts of life according to the standard of living prevalent at the time among free laborers. (See Commentary, Chap. XXII.)

2. The management and control of all penal colonies throughout the land shall be vested in an executive council of twelve members appointed by Parliament, which council, together with the various bureaus and offices under its management, shall constitute the Department of Penal Institutions.

3. There shall be only one set of penal institutions throughout the land, viz., that under the control of the National Department of Penal Institutions above set forth, for the punishment of all violations of law, whether such law be national, provincial, or municipal.

4. Separate penal settlements shall be provided for the two sexes as well as for offenders different in nature or degree of crime; thus, juvenile and adult offenders, novices in crime and hardened criminals shall not be placed together.

5. Every penal settlement shall be governed by an administration chosen by and of the population thereof, subject to the supervision and supreme authority of a superintendent or governor appointed by the Department of Penal Institutions.

6. There shall be no forcible employment of convicts, nor any paternal feeding, housing and clothing by the State, as practiced at present. The Department of Penal Institutions shall have in operation in every colony a variety of industries which shall furnish labor to all convicts on demand and according to choice. Every steady worker in the said industries shall be paid a wage sufficient to provide one person with the ordinary necessaries of life according to the then existing standard of living, *no more and no less*. In the same way, also, every penal colony shall be provided with a sufficient number of eating and lodging houses and

stores stocked with a variety of the ordinary commodities, where convicts shall be allowed to spend their money according to option. If a convict will not work, neither shall he eat—for all idle hours (if not due to sickness or other disability) will be deducted from his wages, and no money from the outside will be permitted to reach him. Free persons (other than those connected with the management) shall not be allowed to settle in penal colonies, nor shall any private industry or business be carried on there.

7. The working-day in penal settlements shall not be longer than the working-day in force at the time for free laborers in the employ of the State.

8. The income derived from penal labor shall be applied toward defraying the expenses of the Department of Penal Institutions. Should any surplus accrue to the State from this source over and above the entire cost of the above-named department, it shall be turned over to the national treasury; on the other hand, shortages shall be made good out of Revenue.

9. The families of convicts, if left resourceless, and providing they belong to the class enumerated in Section 1 of the article on "The Rights of Individuals, etc." (treating of persons disqualified from work), shall be provided by the State, in accordance with the provisions of the article on "Public Relief."

10. No convict shall lose any of his civic rights as a consequence of his penal detention.

11. The chief aim of penal institutions shall be the reformation of criminals and their preparation for the resumption of free life. With this end in view, it is evident: (1) that the officials of all penal settlements must be specially trained for their vocation; (2) that convicts must be treated with kindness and consideration, so as to incline them toward reform; (3) that education and vocational training must be part of the system in all penal settlements.

12. Convicts obedient to rules shall be allowed

to come and go (within the limits of the respective colonies) at will. The administration shall, however, at all times hold every convict under observation and keep a perfect record of his behavior and mode of life.

13. The length of the term of imprisonment shall, wherever practicable, be made dependent on the record made by the respective convict during his stay in the penal institution.

14. A system of marks for good and bad conduct shall be established according to which the term of imprisonment may be shortened or lengthened as every respective case may warrant. To facilitate this system, the Indeterminate Sentence shall extensively be made use of by courts of justice.

15. Conditional liberation under the supervision of probation officers shall be practiced extensively in the case of all novices in crime, or even in the case of ordinary offenders, whenever they evince unmistakable signs of reformation.

16. Neither corporal punishment nor any form of mental torture, or social degradation, such as the rule of silence, solitary confinement, the lock-step, distinctive prison garb, etc., etc., shall be practiced in penal colonies, punishment of refractory prisoners being confined to one form only, viz., increased duration of the term of detention, which cannot be regarded by the prisoners themselves otherwise than as a logical consequence of their own actions. Only in the case of prisoners disposed to do violence to others or to themselves shall solitary confinement be permitted

until such a time as the prison authorities shall have become convinced that the said disposition had been changed.

17. All legitimate forms of punishment meted out to convicts shall preferably be imposed by a jury of their own colleagues, subject, of course, to reversal by the superintendent of the colony.

18. Convicts shall at all times be allowed to present any grievances they may have to any court of justice, and shall be accorded all necessary facilities to that end.

19. The Department of the Reserve shall accept all commodities and utilities produced by convict labor, at a rate equal to the cost of the production of the same by free labor in the national industries at the time of consideration. In case, however, the quality of the convict-output does not come up to the standard of products of like nature produced by free labor, an appraisement may be made by the Department of the Reserve and prices may be fixed accordingly.

20. The Department of Penal Institutions shall consult freely with the other national industrial departments, and especially with that of the Reserve, whose knowledge of the state of supply and demand in any branch of industry will naturally be of great value, with regard to all matters relating to the diverse industries carried on in the various penal colonies under its control.

ARTICLE XXXI

EDUCATION

1. The Department of Education shall establish and maintain a sufficient number of technical schools, colleges and universities at equidistant points throughout the land for the purpose of spreading technical and academic knowledge among the people. (See Commentary, Chap. XXIII.)

2. The establishment and maintenance of common and high schools, as well as all other schools of a preparatory nature, shall be the function of the respective municipalities.

3. All schools of the nature described in Sec. 1 of this article shall be under the direction and supervision of the Department of Education, and all expenses incident to the operation of the same as well as to the maintenance of the said department itself, shall be drawn out of revenue.

4. Tuition in all schools, whether national or municipal, as well as all expenses incident thereto, such as textbooks, writing material, etc., shall be furnished the students free of all charges, while pupils who have no private providers shall also be furnished all other necessaries of life at the expense of the State up to the age of eighteen.

5. No instruction in the knowledge or precepts of religion, whether universal or denominational, shall

be given at any of the public schools whether national or municipal, this being the rightful province of the churches.

6. Students in the technical or professional schools shall be allowed perfect liberty in the choice of courses of study, providing only that the preparatory examination prescribed for the course of study selected shall have been passed satisfactorily.

7. Attendance in the municipal schools shall be compulsory until a graduation certificate shall have been obtained from one of the municipal high schools, or (in case of non-ability to pass the examinations required for the attainment of such certificate) up to eighteen years of age. However, after the age of fourteen, attendance at an authorized technical school shall be considered full compliance with the compulsory education provision.

8. Minors within the age at which education is compulsory shall have the privilege to receive such education at private schools or at home from private teachers, providing that such schools or teachers have previously obtained a certificate of competency from the national Department of Education.

9. All private teachers or schools for elementary and preparatory education who can satisfy the Department of Education (or a board of examiners appointed by the above-named department for that purpose) of their efficiency, shall be granted a certificate of competency without let or hindrance.

10. Private schools for the purpose of imparting professional, technical, or higher education shall have

no need of obtaining certificates of competency from the Department of Education, except in case they desire to accept pupils within the age of compulsory education, or to exempt their graduates from re-examination by National Boards when the former shall desire to enter National Service. In case, however, any such school is proven to be incompetent or guilty of corrupt practices, the government shall have the right to deal with it as with any other fraudulent institution.

11. Notwithstanding that by the provisions of this constitution primary and high school education is placed outside the control of the national administration, nevertheless, the National Parliament shall have the right to force municipalities to provide all the necessary facilities for such education to their respective citizens free of all cost; thus, in case Parliament becomes convinced that education of the nature described is inadequate in any municipality in any part of the country, it shall have the right to place the management of the educational facilities of the same under the control of the national Department of Education until such time as the municipality in question shall prove itself capable and willing to resume its proper functions. In the meantime, Parliament shall have the power to impose upon the municipality in question an annual school tax sufficient to cover the expense of the erection of a sufficient number of schools, and of the efficient operation of the same.

12. University extension lectures and evening con-

tinuation schools for the popular instruction of adults in the higher branches of knowledge shall be established by the Department of Education at national expense in every settlement having municipal rights, while rural settlements shall have the same advantages through correspondence courses.

13. **In addition to the bequeathal to the learner of the accumulated spiritual fruit of the thoughts of others, and far superior to it in importance, the goal of all education shall be: (1) to develop the learner's physical, mental and moral powers; (2) to make the learner think and act independently; (3) to instill in him the courage to make sacrifices for his convictions; (4) to bring him into harmony with his environments; in other words, to prepare him to render service to others and to make use of the services of others in a proper manner; (5) to make him a fit companion to his fellow men socially.**

ARTICLE XXXII

PUBLIC RELIEF

1. Every citizen (male or female) over sixty-five years of age, or otherwise disabled from active work, shall be entitled to receive from the national government at the beginning of every year (or in smaller payments at shorter intervals) a sum of national currency equal to the minimum cost of living for one

person at the time, such sums to be subject to change. by Parliament, in accordance with corresponding changes in the cost of living.

2. The qualifications required for pensions of the above nature shall be as follows: (1) an age limit of sixty-five years or some other disabling infirmity; (2) national citizenship; (3) a sojourn in the country of twenty-five years or more. (Employment in national industry shall not be one of the requirements.)

3. All aged and infirm persons lacking the above qualifications shall be maintained by the respective provinces in institutions or homes built for that purpose, and managed according to regulations which the respective provinces shall see fit to make.

4. Superannuated persons (possessing the qualifications enumerated in Section 1 of this article) having minor children shall be entitled to receive from the national government additional pensions equal to the minimum cost of maintaining themselves and those dependent upon them until such a time as their children shall have become of age.

5. Laborers disabled in national or private service and receiving a pension in consequence thereof shall have no other indemnity claims on their employers. This, however, does not bar criminal claims arising from the same accidents, which may in all cases be advanced either against the administration or private parties.

6. Parents, unless disabled by age or infirmity, shall be bound by law to provide for their children as long as the latter remain under the age of eighteen. All

children that cannot be so provided shall be maintained at national expense in private homes. No separate homes or asylums shall be created.

7. All expenses attached to old age pensions and the administration of the same shall be defrayed out of revenue.

8. The erection, maintenance, and management of public hospitals shall be the function of the various provinces and municipalities; by whom also special institutions shall be erected and maintained for the accommodation of women during five months preceding and two months succeeding confinement. Entrance into one of these institutions shall be granted any woman during the above given period free on demand.

ARTICLE XXXIII

DISCOVERY, INVENTION AND IMPROVEMENT

1. Any person whether a State employee or private citizen who shall make a new discovery in any branch of human research, whether the same be moral, such as philosophy or ethics, or material, such as geographic exploration, chemistry, etc., or who shall devise some new invention or improvement whereby the operations of some industry or industries may be facilitated; or who shall discover some original plans whereby the civil or industrial administration of

public affairs may be facilitated; or who shall make any contribution of importance to science, art, literature, etc., shall be entitled to a bonus from the State according to the importance of his respective contribution. (See Commentary, Chap. XXIV.)

2. All discoveries or improvements for which a bonus is applied for by their originators shall be placed in one of the following three classes: A, of great importance; B, of medium importance; C, of slight importance. The amount of bonus to which a contributor to any one of these classes shall be entitled shall be fixed by Parliament and shall be equal for all inventions and discoveries belonging to the same class.

3. An originator of what himself believes to be a new and useful improvement who shall wish to profit by his ideas, shall submit full specifications of the same, or if a book, a complete copy of it, to the Department of Improvement, which latter body shall have the following questions to decide: (1) whether the improvement in question is original; (2) whether it is of sufficient importance to deserve a bonus; (3) whether its importance is of the first, second or third class. To facilitate the just and proper discharge of these functions special bureaus or boards of experts in the various branches of science, mechanics, art, and literature shall be established by the department in question for the examination of all the diverse claims that may possibly be submitted to it. The department in question may also in certain cases invite the opinion of officials of other national departments, as well as that of some private experts who shall be

deemed capable to give a true estimate of the value of certain improvements.

4. No originator shall have the power to keep any discovery or improvement from public use after it has once been submitted to the Department of Improvement or divulged to any human being, irrespective of what the action of the department has been or may be in the matter.

5. The Department of Improvement shall be obliged to publish within thirty days the exact specifications of all original improvements submitted to it (except those which it deems unoriginal or of no importance) in a monthly journal published by that department for the same purpose, whereupon said discovery or improvement shall become public property to be used at will by either the administration or private citizens.

6. No royalties shall be allowed originators, all bonuses consisting of one cash payment made by the State at the time of allowance.

7. All decisions of the Department of Improvement which place certain discoveries or improvements in the class of great importance must receive the ratification of Parliament in every individual case before the bonus is allowed.

8. Ordinarily if a bonus is allowed by the Department of Improvement it shall be ordered paid forthwith; cases, however, may occur in which the importance of a certain improvement shall not be sufficiently obvious to the examiners at the time of submission to warrant either a bonus or a total rejection, in such cases the improvement in question shall be placed on

file under the proper title and date for future reference (in the meantime publishing a full description of the same in the monthly journal above referred to), and if at any time within a period of ten years after the first application has been made, the improvement in question shall be adopted and used to a considerable extent by either the State or private citizens, the discoverer or inventor thereof, or his heirs or executors as the case may be, shall have a right to apply to the Department of Improvement for a bonus, which application, if accompanied by documentary proof of public adoption or use, must receive the immediate consideration of the said department, and in case its claims are found to be well founded, a bonus shall be allowed in accordance with the laws set forth in the preceding sections.

9. In all cases of dissatisfaction on the part of an originator with any ruling of the Department of Improvement, he shall have the right to appeal from the objectionable decision to a jury of men whose knowledge or circumstances shall have rendered them competent to judge of the matter in dispute. The selection of such a jury shall be governed by the laws governing all other legal juries, and its decision shall be final.

10. In case a certain discovery or improvement is rejected as unimportant or placed in one of the lower classes and no appeal has been made by the originator at the time of the original decision, or even in case an appeal has been made and resulted in a ratification of the original decision, a second appeal may be made

to a new jury, if within a period of ten years after the first decision or ratification the discovery or improvement in question has come to be of greater importance than originally supposed. This second jury shall have the power, if it finds the new claims well founded, to decree a bonus, or to place the discovery or invention in question in a higher class than that originally accorded it, and to decree the payment to said originator of the difference between the original bonus paid him at the time of the first application and that due him according to the last decision.

11. At the recommendation of the Department of the Chief Executive, or on its own initiative, Parliament shall have the power to reverse any decision of the Department of Improvement, if there is good ground to suspect corrupt practices or influences. The originator, however, shall in all cases retain the right to submit the question to a jury.

12. The Department of Improvement upon finding that any discovery or improvement submitted to it for registry possesses extraordinary merits but at the same time requires further development, may recommend that special assistance be rendered the inventor so as to enable him to bring his plans to perfection, such, for instance, as the payment of a temporary pension for the maintenance of his family, free transportation for carrying on scientific researches, the free use of tools and instruments for making experiments, etc.; such recommendations, however, must receive the sanction of Parliament before they can be allowed.

13. In the case treated in the foregoing section, the

originator shall be bound to report and explain his progress to the Department of Improvement from time to time, the latter body having the right at any time to withdraw its subsidy on finding that little or no advance has been made in the development of the ideas originally submitted.

14. All expenses connected with the operation of the Department of Improvement, as well as with the payment of bonuses to originators, shall be covered out of Revenue. Parliament, however, shall be at liberty to impose certain reasonable fees on applicants, if such a course should become necessary.

ARTICLE XXXIV

THE MILITARY

1. All disputes arising between the home administration and that of some foreign country shall be settled by arbitration if possible; in case, however, no such settlement is possible and Parliament sees fit to resort to arms for the purpose of gaining the point in dispute, or in case it becomes clear that the opposing nation or nations will go to war if the point in dispute is not yielded, the question of war or peace must, without delay, be submitted to a popular vote of all the citizens (male and female), the result of which shall be final and binding. Only in cases of great urgency, such as the actual invasion of the country by a foreign power, rebellious uprisings, etc., shall

Parliament be justified in engaging in hostilities on its own initiative. (See Commentary, Chap. XXV.)

2. The standing army in time of peace shall not exceed the proportion of one soldier to every one thousand souls of the population of the country.

3. As it is evident that an army of the above given size will be entirely inadequate to cope with sudden war, the State must (as long as war remains within the range of possibility) make further provision for such an emergency. Following measures are recommended as capable of creating a nation prepared for war without at the same time calling into existence the various evils of Militarism, or in any way limiting the freedom of the individual:

4. The right of individuals to possess and use arms for peaceful purposes, such as hunting, target shooting, etc., shall neither directly nor indirectly be abridged.

5. The government shall have the right to organize a National Militia for the purpose of further diffusing military knowledge among the people. To preserve such militia from becoming an auxiliary *standing* ~~army~~, its organization and maintenance shall unalterably be subject to the following conditions: (1) enlistment in the national militia must be entirely voluntary, and the right of any member thereof to quit the same at any time, except in time of *actual* war, shall never be abridged; (2) the time given to military training in the national militia by any one citizen in time of peace must not exceed three months in any one year, or a total aggregate of two years'

service; (3) the government may offer any reasonable and legitimate inducements to those entering the national militia, providing that such inducements do not assume the form of special political or social privileges; (4) whether in time of peace or war, the State shall have no greater claim upon members of the national militia than upon the rest of its citizens; thus, like the rest of the nation, members of the national militia shall be subject to compulsory military service only in time of actual invasion of the country by a foreign foe. (See Sec. 12.)

6. Should circumstances necessitate such a course, the State may direct that all able-bodied male pupils over fourteen years of age found at the time in all schools and colleges (public or private) throughout the country shall receive military training as long as they remain in the said places of learning. This provision shall, however, be subject to the following conditions: (1) that the said measure shall not be adopted without the sanction of a two-thirds majority vote of all the citizens (made and female), and that after its adoption it shall be re-submitted to a popular vote every four years, requiring a two-thirds majority vote for its retention at the end of every such period; (2) that the time allotted to such training shall not exceed one-tenth of the time given to all other subjects during the same school season; (3) that the said military training shall carry with it no other obligations to the State whatsoever, either in time of peace or war, over and above what is provided in this article for all citizens alike, and (4)

that the said military training shall be entirely under the control and supervision of the school authorities; the latter shall, however, have the right to employ military experts as trainers (under their control), and preferably, the non-commissioned officers provided in Sec. 8 of this article; so as to furnish remunerative employment to that contingent of military reserves in time of peace.

7. The State may build and maintain a navy of any size that may at the time be considered necessary according to expert opinion.

8. The State shall open and maintain military and naval academies of sufficient number and capacity for the purpose of training military and naval officers to take charge of the standing army and navy and of the national militia. The government may also keep a reasonable reserve of non-commissioned officers to take charge of additional forces in case of war.

9. Enlistment in the standing army and navy, whether in the capacity of "private" or of officer, shall be entirely voluntary and according to terms agreed upon by both parties at the time. No contract shall be valid if it provides for a term of military service longer than three years; however, at the expiration of every legitimate term, re-enlistment shall be permitted up to a certain age-limit. Quitting without leave in the middle of a term, or in time of actual war, shall be punished as desertion.

10. The government shall have the right to erect and maintain all necessary coast and border fortifica-

tions, arsenals, etc., and stock them with military machines and materials sufficient to equip an army much larger than the one maintained in time of peace, so as to be prepared for sudden war.

11. The standing army and navy, in time of peace, shall not be kept in idleness, but, to the contrary, shall be put to useful civil or economic service; thus, members of the army when not in training may be used as rural police wherever such are needed; fast cruisers may be employed to carry mail and parcels post matter, providing, of course, that such service shall not impair their usefulness as fighting machines.

12. All able-bodied citizens between the ages of twenty-one and thirty-five shall be liable to compulsory military service in time of actual invasion of the home country by a foreign foe; in the case of military operations of a different nature, the government can only employ its standing army and navy or call for additional volunteers.

13. No province or municipality shall have the right to organize a separate military force of any nature whatsoever.

14. The manufacture of and trade in munitions and materials of war shall be exclusively in the hands of the government; the latter, however, shall not use its monopolistic power in this field in a way that would hinder citizens from bearing arms in time of peace, and for peaceful purposes.

15. The production and possession by the nation of instruments and materials expressly designed for the destruction of human life and property is justified

only as a means of defending the home country against foreign aggression; on no account, therefore, shall munitions and war materials be sold to foreign governments or their agents, or otherwise exported as merchandise to foreign countries, whether in time of war or peace.

16. Trial by military tribunals, or as they are known at present by the name "Court Martial," shall be entirely abolished. However, in case of the standing army and navy, or in case of military service in time of actual war, Parliament shall have the right to enact special laws of any degree of severity commensurate with the offense, for the punishment of treason, cowardice, insubordination, neglect of duty, desertion, looting, etc., etc., which enactments shall be enforced by civil courts of justice and according to ordinary legal procedure.

17. The army, militia, and navy, as well as all operations connected with military affairs, whether in time of peace or of war, shall be under the control and management of the Executive Council of the National Defense, and the entire expense incident to the maintenance of all military bodies and the management of all military affairs, as well as all funds needed for the financing of wars and military expeditions, shall be derived out of Revenue.

18. Separate bureaus shall be established and maintained by the Executive Council of the National Defense for the army, the navy, the militia, the commissariat, signal service, fortifications, etc., the offices of

which shall be filled by the ordinary system of promotion.

19. The Militia shall not be represented in the Trade Assembly owing to the fact that militarism is not its regular profession; however, the standing army and navy, as well as the entire corps of commissioned military and naval officers who ply no other trade, shall be entitled to representation in the above-named body.

20. Non-citizens, or persons under the age of eighteen, shall be ineligible to any post of service in any of the national military organizations. Women shall be eligible only to such offices as do not demand active service in the ranks in time of war or rebellion.

ARTICLE XXXV

UNION AND SEPARATION

1. No territory shall be permanently annexed to the home country without the approval of a popular majority vote, both at home and in the territory about to be annexed. (See Commentary, Chap. XXVI.)

2. In case the territory about to be annexed is entirely isolated from the mother country by a strip of foreign territory of any breadth (and providing that by the laws of this constitution, or by some other circumstance, the intervening territory cannot at the same time rightfully or peacefully be annexed to it), or by five hundred miles or more of neutral water,

or by an unbroken chain of snow-clad mountains or some other barrier obstructive to travel or intercourse, or in case the territory about to be annexed is inhabited by a people of a different race—in all such cases no union shall be effected without the approval of a popular two-thirds majority vote both at home and in the country about to be annexed.

3. After a union has been constitutionally established between the mother country and some foreign territory which is of a nature defined in Sec. 2 of this article, the union must be dissolved at any time upon demand of a two-thirds popular vote *either* in the mother country *or* in the territory annexed. In case, however, the annexed territory is not of the nature defined in Sec. 2 of this article, the union cannot be dissolved without the approval of a two-third majority vote, *both* at home and in the annexed territory.

4. The preceding section refers only to permanent unions, i. e., cases where no term of years is mentioned in the compact. In case a union has been entered into for a stipulated number of years (which is allowable if the requirements contained in Secs. 1 and 2 of this article have been complied with), no dissolution can be effected as long as the compact is in force, while at the expiration of such time, and providing no renewal of the compact has previously been made, a dissolution takes place without any further action by either of the two parties.

5. No territory shall be annexed unless the population thereof accepts this constitution in its entirety

and expresses a willingness to remain loyal to it and be governed by its provisions.

6. When a certain province or territory has been constitutionally annexed to the mother country for an indefinite time, its inhabitants shall thereupon have all the rights, privileges, and claims of native-born citizens of the mother country, while the territory so annexed shall immediately be incorporated as one, or as several provinces of the mother country, and shall be governed and treated on a basis of perfect equality therewith. No portion of the mother country or any territory legally united therewith can have a separate and independent national parliament, aside of the provincial legislatures accorded to all provinces under this constitution.

7. As a measure of offense or defense in time of war, the national government may seize and establish temporary control over any portion of the enemy's territory with or without the approval of the inhabitants thereof. When such temporary seizure has been effected the national administration may establish in the territory in question, for the time being, any system of government which it may find best suited to the character of the population thereof, and to all intents maintain its supremacy over said territory as long as hostilities are in progress. Also, after peace has been restored, the national government may, as a guarantee of good faith, or for the purpose of recovering damages, continue to occupy the territory in question and to appropriate the revenues thereof until such a time as full reparation shall have been

made. However, such occupation and control shall cease as soon as the cause for it has been removed, and on no account shall territory thus seized be permanently annexed, except in accordance with the provisions of this article.

ARTICLE XXXVI

THE CHIEF EXECUTIVE

1. The principal function of the Department of the Chief Executive shall be that of auditing the books and periodic reports of the various executive departments, bureaus and offices (see "The Executive," sec. 12), and generally maintaining the highest standard of efficiency and honesty in all branches of the public service. As a corollary to this function, the executive council of the said department, or its accredited agents, shall have the power at any and all times to examine the books and records of any department, bureau, or office connected with any branch of the national service, and to investigate all cases of mismanagement, incompetency, violation of public trust, bribery, corrupt election practices, etc., which may be brought to its attention; also to take sworn statements of any individuals or parties, private or official, that may be necessary in the course of its legitimate exercise of the functions above defined. To bring its work to the required degree of efficiency, the Department of the Chief Executive may employ contingents

of auditors, secret-service men, and whatever other assistants needed for the thorough surveillance of the affairs of the nation.

NOTE.—The above shall not be interpreted as placing all or any of the other executive departments under the direction or control of the Department of the Chief Executive, or as making them in any way responsible to the latter, in the way that "Cabinets" are at present directed by chief executives, since by preceding provisions of this constitution all executive departments (with the exception in certain specific cases of the Departments of Justice and the Chief Executive) are placed under the direct control of the National Parliament, and are made responsible to that body alone. (See "The Executive," Sec. 11.)

2. The Department of the Chief Executive shall have no punitory power; however incriminating its findings may be deemed in certain cases, the latter can only be submitted to Parliament or to the proper judicial authorities, who alone shall have the power to pass judgment on the guilty parties.

3. Aside of the principal function of the Department of the Chief Executive, explained in Sec. 1 of this article, the same department shall also have the power to investigate individual grievances against the national administration or some of its subordinate officials, and to bring such of them, as it deems well founded, before the proper judicial authorities having jurisdiction in the matter, according as the case may justify. To facilitate this branch of its work the

Department of the Chief Executive may keep open books in every locality, in which all who so desire may record their grievances or make any other suggestions they may see fit to make. The contents of these books shall be examined at short intervals by the Council or some of its accredited agents, and action shall be taken upon the same according to the merits of each case. This provision, however, shall not be construed to restrain individuals from submitting their grievances directly to one of the proper labor courts of justice, as provided in the article on the Judiciary.

4. To carry out its legitimate functions in an efficient manner, the Department of the Chief Executive shall establish a number of bureaus and offices throughout the land, among them a bureau of statistics, whose function it shall be to gather all statistics that may possibly have a bearing on the social, political, or industrial life of the community, and publish the result of its labors at the end of every year.

5. A census bureau shall also be established by the same department; or, if preferred, the management and operation of the public census may be combined with that of statistics under the control of a single bureau.

6. Besides the powers and functions assigned to it in this article, the Department of the Chief Executive shall also have other powers and functions which are treated elsewhere in this work, and hence need no repetition.

For the organization of the Executive Council of

the Department of the Chief Executive, see "The Executive," Sec. 3; for the election, official status and limitations of the chairman and vice-chairman of that department, see "The Executive," Secs. 7, 8, 9; for the power of initiative and referendum vested in the same department, see "The Initiative and Referendum," Sec. 3.

ARTICLE XXXVII

THE FUNCTIONS, POWERS, AND LIMITATIONS OF PARLIAMENT

1. The power to legislate for the entire nation shall be vested in the two houses of the National Parliament, and no enactment shall become law which has not received a majority vote in each of the two houses of the same.

2. The members of each of these two houses shall at their first session select their respective chairmen and vice-chairmen, whose functions shall be the same as those exercised in most civilized countries by the president of an ordinary assembly, according to well-established parliamentary rules, and whose powers shall not exceed the powers of the same. Thus, neither of the two chairmen shall have the power to veto bills legally passed, pardon criminals legally convicted, establish and appoint permanent boards or commissions or individual functionaries of any nature, or remove from office incumbents who have been

legally elevated to it, without the sanction of Parliament; while themselves shall be subject at any time to impeachment by a majority of their colleagues, or to conviction by a Court of Justice.

3. A chairman of either house shall ordinarily hold office until the end of the parliamentary term of his respective assembly, and shall be eligible for repeated re-election indefinitely.

4. All members of Parliament shall be equally eligible for the presidency or vice-presidency of their respective assemblies, and the salary of a president or vice-president shall not exceed that of an ordinary member of his assembly.

5. The chairmen of both houses shall retain their voting power in all cases.

The wages of the members of Parliament are treated of in the article on Wages, Sec. 5.

For the recall of members of Parliament, see "Tenure and Removal," Sec. 4.

6. The length of the working year during which Parliament shall remain in session shall conform to the length of the working year prevailing at the time in the national industrial trades.

7. A consecutive or aggregate absence from the regular parliamentary sessions of one-third of the working year by any member during his term of office shall constitute ground for impeachment proceedings by his constituency.

8. The functions and powers of Parliament shall be:

A. To enforce the provisions of this constitution,

and, if necessary, to enact supplementary laws for this purpose.

B. To appoint the chief executive officers for the Departments of Revenue, The Treasury, Foreign Affairs, National Defense, Public Relief, Official Service, Initiative and Referendum, Invention and Improvement, and Penal Institutions.

C. To seize, on behalf of the nation, all real property which is defined in the article on the Rights and Powers of the State, and on the conditions laid down in that article and in the article on Revenue.

D. To engage, on behalf of the nation, in Agriculture, Mining, Fishing, Forestry, Transportation, Communication, and all other branches of industrial production or public service it may see fit to engage in, and to operate the said industries through the various executive departments.

E. To build and maintain interprovincial roads, canals, bridges, rolling stock, means of communication, also colleges, universities, technical schools, etc.

F. To reward inventors according to the recommendations of the Department of Invention and Improvement.

G. To provide for the relief of the aged and infirm, or persons disabled in the service of the nation, in accordance with the laws set forth in the article on Public Relief, and through the department of that name.

H. To regulate private industry so as to insure proper sanitary measures, and the protection of women and children.

I. To issue and circulate currency and interest-bearing bonds for the purposes, and according to the rules, set forth in the articles on Currency and on the National Debt.

J. To make political and commercial treaties with foreign nations and to regulate the foreign trade.

K. To appoint ambassadors to foreign courts.

L. To provide for war, as well as for the suppression of insurrection.

M. To declare war and make peace whenever the urgency of the case precludes the regular procedure of referring the case to a popular vote.

N. To annex foreign territory, and to cede national territory, in accordance with the rules fixed in the article on Union and Separation.

O. To enact supplementary laws, and establish additional bureaus and offices, that may be necessary for the proper exercise of the above powers and functions.

P. To regulate the national revenue so that it will cover all civil and political expenses of the nation.

Q. To regulate immigration and emigration as well as private importation and exportation, in accordance with the spirit and provisions of this constitution.

R. To fix the dates of all national elections, and regulate them in the interest of honest voting, and the prevention of corrupt practices.

S. To enact additional parliamentary laws for the guidance of its own procedure and for the maintenance of order and decorum in its sessions.

9. The enumeration of the above functions and powers of Parliament shall not be construed so as to exclude other powers and functions which are expressly accorded that body in some of the other articles of this constitution, or those that are too evident to require mention. In case, however, the constitutionality of any parliamentary act is questioned by any person or persons, the act in question shall be referred to the Department of Justice for decision, in accordance with the provisions made in Sec. 5 of The Judiciary.

10. Bills may originate in either house of Parliament; however, no proposed legislation shall become a law which has not passed both houses.

11. **Any legislative measure which has originally been passed by a majority of over two-thirds of the total membership of each of the two houses of Parliament shall become a law at once without the possibility of any hindrance on the part of the opposing minority. All measures, however, which have been passed by majorities smaller than the above shall be subject to the following rules:**

On demand of one-third or more of the total membership of one of the houses of Parliament, and providing that the members demanding it have originally voted in opposition to the measure in question, the respective measure shall be read a second time after a lapse of no less than three months, and a new vote shall then be taken upon it (in the respective house) which shall be considered final. This provision shall also apply to rules of procedure adopted by either

house of Parliament for the governance of its own sessions (thus preventing or at least blunting the edge of gag-rules or other adroit schemes by which crafty or powerful politicians often carry matters with a high-hand in all modern legislative assemblies).

On demand of one-third or more of the total membership of both houses of Parliament (severally or at a joint meeting), and providing as in the preceding case that the members demanding it have originally voted in opposition to the measure in question, any legislative act must be submitted to a popular vote for approval or rejection, as the case may be.

12. Parliament may at any time undo the acts of any or all the executive departments, if it happens to disapprove of them. In case, however, the acts so disapproved are those of the Department of Justice, or of the Chief Executive, the Executive Councils of these departments may have the question submitted to a popular vote, whose decision (by majority vote) shall be final (if it is not contrary to some provision of this constitution).

13. Parliament has a right at any time to remove any or all of the members of the Executive Councils whose appointment has been made by itself. In the case of all other public officials not appointed by Parliament, the latter can only order a vote of impeachment by the respective constituencies of the officials whose removal is sought. (See "Tenure and Removal," Secs. 5 and 7.)

14. A permanent committee on laws shall be appointed by Parliament whose function it shall be to

examine all proposed legislative measures previous to their being acted upon by Parliament, and if need be, amend the form in which they are presented so as to leave the language unequivocal, the terminology in conformity with legal usage, and the import unopposed to any of the provisions of this constitution or to previous legislative acts. However, the findings of this committee shall be considered recommendatory only, and shall in no case be binding on Parliament. Of two parliamentary acts that are found to contradict each other, the later one shall stand.

15. Unlike any other administrative body, Parliament shall have the right to appoint the members of all the various bureaus, offices, boards and commissions which have been created and established by itself, providing, of course, that the candidate or candidates fixed upon possess the necessary qualifications for the office required by the provisions of this constitution or by subsequent enactments.

16. No secret sessions shall be held by Parliament except in case the questions to be discussed relate to war or rebellion, and providing further that the nature of the respective discussion justifies the secrecy.

17. The names of those who voted for or against any parliamentary measure in either house shall in all cases be made public as soon as the act itself is made public.

18. No parliamentary act shall be kept from the public longer than is absolutely necessary.

19. Absolute freedom of speech shall be accorded

all members of Parliament during debate as long as parliamentary rules are observed and personal abuse is not indulged in.

20. An attendance of two-thirds of the entire membership shall in either house constitute a quorum.

21. A tie vote, in either of the houses of Parliament, on any question shall be decided by the respective chairman, who shall have an extra vote in such a case.

22. The worth and virtue of a Parliament shall be judged by its abstention. In other words, the enactment of new legislation by Parliament shall be done very sparingly and with utmost care and caution, bearing in mind that in the great majority of cases public legislation carries with it the curtailment of individual liberty.

ARTICLE XXXVIII

INITIATIVE AND REFERENDUM

(See Commentary, Chap. XXVII.)

1. Ordinarily the enactment or repeal of legislative measures is supposed to originate in either of the two houses of the National Parliament, i. e., by one or more members of either house of Parliament bringing in a bill in which the proposed action is embodied. In addition to the above, however, propositions for the enactment or repeal of parliamentary legislation (exclusive of constitutional amendments) may be brought to the consideration of Parliament by three additional factors, viz., the people, the

provincial legislatures, and the executive departments, in accordance with the provisions laid down in the succeeding sections of this article.

2. On petition of one or more of the provincial legislatures, or of one or more of the executive councils, or of one per cent of the entire number of voters in the country, any bill embodying a proposition for the enactment or repeal of a certain measure or measures (with the exception of constitutional amendments) shall receive the action of Parliament. It shall, however, rest entirely with Parliament to pass upon the proposed act favorably or adversely, according as it sees fit.

3. On petition of the Department of the Chief Executive, or of one-third of the total number of provincial legislatures, or of five per cent of the entire number of voters in the country, any legislative measure (exclusive of constitutional amendments belonging to the class defined in Sec. 3 of "First Principles") shall be submitted to a popular vote for enactment or repeal, according as it is desired by the petitioners. The decision of a majority of the voters shall be final in all cases where a constitutional question is not involved, and shall come into force on the day on which the result of such popular vote is announced. For the right of minorities in Parliament, see "The Functions, etc., of Parliament," Sec. 11. For laws governing removal of officials by their constituencies, see "Tenure of and Removal from Office." For constitutional amendments, see "First Principles."

4. Questions resulting in a tie between the two houses of Parliament shall be submitted to the people; while a popular vote resulting in a tie shall be declared null and a new vote shall be instituted.

5. Questions of war and peace, if not of great urgency, shall originally be referred to the people for enactment.

6. The qualifications of citizens to vote in initiative and referendum cases shall be the same as those required for voting in ordinary elections.

7. Unless prevented by reasonable cause, voting in national elections or referendum and recall cases shall be compulsory. In order to prevent unnecessary hardship or loss of time, the time of voting shall invariably be fixed outside of working hours, and the process of voting shall be made as simple, easy, and brief as possible.

8. All operations connected with the initiative and referendum shall be under the management and control of the department of that name; to it, all national legislation proposed by the proper petitioners (as provided above) shall be submitted, and by it, or its duly organized sub-offices, all referendum votes shall be ordered and supervised, and the results announced.

9. Single individuals shall have the right to suggest any legislative measure and bring it in writing before the Department of the Initiative and Referendum, which latter shall be bound to consider it, but shall have perfect freedom in the matter of bringing it before Parliament.

10. The principle of the Initiative and Referendum shall also be extended to the administration of industrial departments (including the Department of Education); thus, every one of these departments shall appoint a bureau of the Initiative and Referendum whose function it shall be to receive and lay before the administration of the respective department all legislative measures or suggestions coming from the rank and file of the same department (as provided in the succeeding section), as well as to manage and supervise all referendum votes within the same department.

11. As in the case of the National Parliament, all departmental enactments are ordinarily supposed to originate in the executive council of the respective department, i. e., by one or more members of the same council making a motion or bringing in a bill to the effect desired; however, on petition of five per cent of the rank and file of any industrial department, the enactment or repeal of any measure within the jurisdiction of the same department must receive the consideration and vote of the council thereof, and on petition of ten per cent of the rank and file, any proposed enactment, repeal, or impeachment, within the jurisdiction of any department shall be submitted to the rank and file of the same, whose decision shall be final, if it is not reversed by Parliament, or declared unconstitutional by the Department of Justice.

ARTICLE XXXIX

BUREAUS AND OFFICES

1. Any number of bureaus may be established and organized by the national parliament, or by any of the executive departments with the consent of the former, for the sake of dividing or specializing the different operations falling to the lot of the respective administrative bodies; thus, the Department of the National Defence may establish separate bureaus for the army and the navy. In the same way any bureau once established may, for the sake of expediency, divide its operations among several local offices; thus, the bureaus of the army and the navy may in their turn establish separate offices for yards, docks, ordnance, construction, recruiting, equipment, etc. It is evident therefore that both, bureaus and offices, must always remain under the immediate control of the administrative body by which they have respectively been established.

2. Bureaus and offices shall be managed by single chiefs having the power to elect their immediate staffs.

3. All disbursements required of bureaus and offices in the course of their respective operations shall be made by written order upon the Department of the Treasury (if industrial), or of Revenue (if civil or political). To guard against corruption, all such orders must be countersigned by the Executive Council of the department to which the bureau or office in question belongs.

ARTICLE XL

OFFICIAL SERVICE

1. As has been set forth or casually mentioned in various places in this constitution, citizens may be elevated to industrial or political offices in one of the following three ways: by election, by appointment, and by promotion. The principal laws governing elevation to and service in office will be treated fully under the above three heads in the following clauses:

ELECTION

2. According to the provisions of this constitution, only seats in the two houses of Parliament belong to the class of *national* offices filled by popular election (see The Legislative); however, any office, whether industrial or political, may subsequently be changed by the ordinary system of legislation from appointive or promotive to elective, but not vice-versa.

3. The supreme control and management of all national elections shall be centered in the Department of Initiative and Referendum, which in its turn may establish a separate bureau of elections whose duty it shall be to supervise elections, receive and count all popular votes, and announce their results.

4. Elections resulting in a tie shall be declared null and a new vote ordered.

5. Elections resulting in opposite claims by two or more opposite parties, and providing that the majority claimed by either of the parties is sufficiently small to allow some ground for doubt, shall be laid before the Executive Council of Justice, which latter shall either establish the claim of the right candidate by a re-count, or, failing this, declare the previous vote null and order a new election. The decision of the Department of Justice in this case shall be final.

6. Besides the elective offices referred to in the second section of this article, all contingents of individuals banded together under the provision or sanction of this constitution for industrial or political purposes, such, for instance, as the working forces of national factories or mines, or the different companies in the army and navy, shall elect their immediate officers, i. e., all functionaries who, by the nature of their duties, are brought into daily contact with the contingents in question. Thus, factory and mine operatives shall elect their managers and foremen. Military contingents shall elect all subordinate officers having immediate command over them; all legislative and executive bodies, if composed of more than one member, shall elect their chairmen, etc. Officials of this class shall be removable at any time by a majority of their electors in accordance with the law fixed in the article on Tenure and Removal, in which case their places shall be filled by the original process herein provided for filling offices of the same class.

7. For elections and mode of filling vacancies in the two houses of Parliament, see The Legislative.

APPOINTMENT

8. The class of national offices filled by appointment shall embrace the executive councils of political departments appointed by Parliament, as enumerated in Sec. 3 of the article on the Executive, as well as the chiefs of all bureaus and members of all boards, commissions, and offices established directly by Parliament. Also the Executive Councils of the two departments of Justice and the Chief Executive which are appointed by the various provincial legislatures, as provided in the article above referred to, and all temporary boards and commissions established by any of the national official bodies.

9. Appointments may be made from all ranks of the community, and from one province or department to another (providing the candidate possesses the qualifications necessary for the office in question), with the exception of members of the two councils of Justice and the Chief Executive, which must at the time of election be residents of the respective province choosing them.

PROMOTION

10. To the class of national offices filled by promotion shall belong all other offices not included in the preceding clauses under the heads of Election and Appointment. As this class of offices is obviously by far the most numerous, it will be treated more fully in the following sections.

11. The system of filling political and industrial

offices by promotion shall, with some slight variations, be the same as that which is followed by the war department of the U. S. in filling military offices. Thus, all offices of this class in any one of the departments, whether industrial or political, shall be divided into consecutive grades designated by numbers (different departments not necessarily having the same number of grades), and every grade shall again be subdivided into a certain number of points; this accomplished, incumbents of the class of offices in question shall be promoted from point to point, and from grade to grade, either by length of service, or by special merit, or by both. Incumbents of offices of the lowest grade in any department shall be chosen by public competition among the employees of the same department; the only qualification required for entering such a contest being a satisfactory passage of the civil service examination prescribed for the office in question, citizenship, an age-limit of twenty-one or over, and employment at the time of candidacy in the department where the office is to be filled. Every time a vacancy occurs in a higher grade, the one who at the time holds the highest number of points in the next lower grade shall have a prior right to fill the same. In case the same number of points is held by more than one official, the appointment shall be made by public competition between the persons concerned, providing in each case that candidates for any office shall possess the necessary qualifications as set forth above in this section.

12. The above division of administrative officials

for the purpose of promotion shall bear no relation to the rate of wages, which may be fixed for different grades, and even for different services in the same grade, in accordance with the merits of each case. Neither shall it have anything to do with *rank* in the sense in which the word is now understood. The establishment of a bureaucratic aristocracy being incompatible with the spirit of this constitution, which considers clerks, farmers, and artisans, politically and socially, fully the peers of generals or members of Parliament. It is, however, obvious that materially, the conditions prevailing in higher grades must be made more favorable to their respective occupants than those prevailing in lower grades of the same department so as to render promotion desirable.

13. Since, as has been set forth, promotion is to be extended only as a reward for long service or special merit, it is obvious that promotion cannot be put in operation to fill the offices treated under this head, immediately upon the inauguration of the new social system. To provide for this special case, the first National Parliament shall have the power to order the filling of all official grades either by election from below or by appointment from above, in other words, either of the following two plans may be adopted by Parliament for this case; (1) the incumbents of the lowest grade of promotive offices in any department shall be chosen by public competition, as provided in Sec. 11 of this Article. These in their turn shall immediately proceed to elect the members of the next highest grade in the same department, etc., until all grades of promotive offices in the same department have been filled; (2) the members of the highest grade of promotive offices in every department (industrial as well as political) shall on the first occasion be appointed by Parliament, whereupon these appointees in their turn shall proceed to appoint members of the next lower grade in the respective department, the latter again, in their turn appointing members to offices a grade lower than their own, etc., until all

promotive offices in the various departments are filled. A third plan may be proposed and that is election by constituencies, i. e., every official shall be elected by a popular vote of the people that will be under his jurisdiction (this plan, however, will involve the difficulty of ascertaining and limiting such constituencies). However immaterial of the plan adopted, it shall be practiced only at the first organization of the new order; this accomplished, vacancies shall be filled by the ordinary system of promotion explained above. Furthermore, the qualifications required for holding office under the new administration, or for the right of voting in filling the same (which are fully set forth elsewhere in this Constitution), shall be demanded on the first as well as on subsequent occasions (with the only omission of "Employment in the Same Department," which naturally cannot be complied with at the inauguration of the new system).

14. During the operation of the system of promotion, in case there is no applicant from the next lower grade possessing the necessary qualifications to fill a vacancy occurring in a certain higher grade, the same may be filled by a member from a grade lower who may be able to prove his qualification for the same, or, in the absence of such in the next lower also, the right of priority may be carried from grade to grade down to the common employees of the same department and even to citizens outside of the same department (in case the department in question does not at the time hold a single individual qualified for the position). Ordinarily, however, promotion shall not be made from one department to another.

15. Promotion from grade to grade over the heads of seniors can only be made for special merit by a special act of the National Parliament, and providing there is a vacancy at the time in the grade to which the official in question is promoted. Parliament, however, shall have the power in extraordinary cases to create nominal offices of higher grade for the purpose of rewarding extraordinary achievement.

16. The personnels of the two departments of Justice and the Chief Executive, outside of the executive councils of the same, shall, like the intermediate and lower officials of all other departments, be elevated to office by promotion, also in the matter of qualification, tenure of office, representation in the Trade Assembly, removal, etc., they shall be subject to the same laws

and provisions set forth in this and in other articles of this constitution for the regulation of official service.

17. Vacancies occurring in any of the offices (whether elective, promotive, or appointive), through death, disability, resignation, impeachment, conviction, or any other cause, shall be filled in the same manner in which the office in question is originally filled.

18. Non-citizens or persons who have not attained the age of twenty-one shall not be allowed to hold any office.

ARTICLE XLI

PREPARATION FOR OFFICE

1. THE Department of Official Service or its accredited agents shall have the power to prescribe different preparatory courses of study or practice for the different branches of public service, failing in which, no candidate shall be admitted to any office though otherwise legally elevated to it.

2. National civil service academies shall be established by the Department of Education at various equidistant points for the purpose of giving free instruction to all applicants in the various branches of industrial and political official service.

3. In addition to other subjects a thorough knowledge of this constitution shall constitute an indispensable feature of all civil service examinations.

4. Civil service examinations shall ordinarily be conducted either by the instructors of the above-named academies or by permanent boards of examiners established for that purpose. However, candidates preferring it shall be allowed to pass their civil service examinations before juries chosen for the purpose. The qualifications for serving on such juries shall be, official service in the past or present in the same department, and in a grade higher than the one for which the examination in question is held.

5. Juries of the nature treated of in the preceding clause shall be subject to all legal enactments concerning other juries, such as objection to certain persons by the parties concerned, etc.

6. At the inauguration of this system no qualifications shall be demanded of examining juries, other than competency to judge of the subjects under examination.

7. Persons who have received private instruction in any given courses of the civil service, or who have mastered the same by self-instruction, shall be allowed to take their examinations, and shall be given diplomas upon satisfactory passage of the same, in exactly the same manner as students of the civil service academies.

8. A diploma or certificate issued by one of the national or private schools authorized by the Department of Education, or by any legal examining board or jury, shall exempt the holder of the same from a new examination when applying for office within a period of three years from the date of issuance of the same, providing, of course, in the case of schools, that all subjects prescribed by the Official Service Department as a preparatory course for the office in question shall have been included in the curriculum of the institution in question. No reexamination shall be required of any official as long as he remains in active service in the branch originally entered into.

9. All expenses connected with the maintenance of the Official Service Department, as well as with official service examinations, shall be defrayed out of Revenue, without any cost to applicants.

10. For the organization of the executive council of the Department of Official Service, see "The Executive"; lower officials of the same shall be elevated to office by promotion as in the case of the personnel of other departments.

ARTICLE XLII

TENURE OF AND REMOVAL FROM OFFICE

1. All political and industrial officials, with the exception only of members of Parliament and other elective officials who are raised to office for a stated term, shall retain their places to an age of sixty-five, if they are not prior to that age removed by disability,

resignation, recall, impeachment, or conviction, according to the provisions prescribed in the following sections. (See Commentary, Chap. XXVII.)

2. Any official, from a member of Parliament down to a post office clerk, may be removed at any time by a majority of his constituency, i. e., if the official in question came to his office by election, or appointment, he is subject to removal by a majority vote of his electors or appointers, while if he came to his office by promotion, his removal may be accomplished by a majority vote of the people under his jurisdiction, or, in other words, those who are immediately concerned by the administration or management of his office. Thus, the removal of members of Parliament may be effected by their respective electors; members of the various executive councils, if appointed by Parliament or the provincial legislatures, as the case may be, shall be subject to removal by their respective appointers, while if raised to office by promotion they shall be removable from the same, singly or in a body, by the working forces of the respective departments. All other subordinate officials, whether industrial or political, are also subject to the same rule; thus, foremen of individual factories may be removed by the respective working-forces of the same factories; district managers of a certain industry may be removed by the national employees of the respective industry in the respective district; colonels, by their regiments; captains, by their companies; postmasters, by the voters of their respective municipalities (the latter being the parties immediately concerned), etc.

3. ORIGINATION OF REMOVAL PROCEEDINGS.—The removal of officials raised to office by appointment may easily be effected by the respective appointers in the ordinary routine of business. The removal of officials raised to office by election or promotion (with the exception of members of Parliament) shall be submitted to their respective constituencies on petition of ten per cent of the number of voters of the same. Petitions for removal must be filed with the executive council of the Initiative and Referendum or one of its legally established sub-offices. The same department, or its accredited agencies, shall also conduct all other processes of national removal and impeachment referenda.

4. A member of the National Assembly shall be submitted to a vote of removal on petition of 5,000 voters of his respective province, while a member of the Trade Assembly shall be submitted to a vote of removal on petition of 2,000 voters of his respective trade. All voters of the respective province shall be entitled to vote in the removal referendum of a member of the National Assembly, while in the removal referendum of a member of the Trade Assembly only the followers of the respective trade shall be permitted to vote. No member of either house of Parliament shall be unseated if he received in the removal referendum a number of votes in his favor equal to the minimum number of votes received by any successful member of his respective house (himself not excepted) at the regular election *in his respective province or trade.* In the case of all other

officials submitted to removal, a majority of adverse votes shall effect removal.

5. Superior officers, or even Parliament itself, shall have no right to dismiss inferiors from office or even degrade them to a lower grade except on substantiated charges of insubordination, mismanagement, incompetency, illegal or unconstitutional action, neglect of duty, or disability by accident, old age, etc., and through the ordinary process of law before the proper courts of justice, the only exception to this rule being cases where the superior officers in question are themselves the appointers of those whose dismissal is desired, as provided in Sec. 2 of this article.

6. Members of either house of Parliament and of the two councils of Justice and the Chief Executive cannot be unseated by any official body on charges of incompetency or insubordination—the only power to remove them resting with their respective constituencies. For trial and conviction on criminal charges, see Sec. 13 of this article.

7. Besides the power of preferring charges before a court of justice, which may be exercised by, and against, any individual, private or official, superior officers shall, within their respective departments, have the additional right to submit inferior officers to removal referenda by the respective constituencies of the latter. As the National Parliament is considered the supreme official body of the State, the right of ordering removal referenda against any national official, industrial or political (not even ex-

cepting members of the two departments of Justice and the Chief Executive), may be exercised by it in all cases. Neither Parliament, however, nor any other official body shall have the right to remove, suspend, or even to *order* removal proceedings against one or more of its own members, the only action allowed them in such cases being the right of preferring charges before a court of justice, if there is any basis for such charges.

8. Any official body in the State, industrial or political, legislative or executive (with the exception only of the two houses of Parliament and the two councils of Justice and the Chief Executive whose members represent different constituencies), may be impeached *in a body* for the ordinary offenses enumerated above in the treatment of single impeachment cases. In case of conviction, however, charges must be proven singly.

9. Absentation from service, through any cause, of one-third of the working year, shall constitute grounds for the removal or impeachment of any official (members of Parliament included), and proceedings for the same shall in such cases be taken on demand of one member of the respective constituency. The working year of all officials shall conform in length to that of common employees. No salary shall be paid to any official for time during which the same has been absent from his post.

10. An attempt to suppress liberty of speech, press, assembly, religion, political opinion, etc., shall be considered valid ground for impeachment.

11. The Department of Official Service shall, with the approval of Parliament, have the right to prescribe penal measures for the punishment of insubordination, neglect of duty, illegal and unconstitutional dealings, etc., among the officials of any and all the various departments. The usual nature of such penalties to be degradation to lower grades, or to the ranks of the common forces of the respective departments, or suspension from national service altogether for a period not exceeding an aggregate of one-half the working year, according as the case may justify. In all such cases, however, if the offense in question is not punishable by penal servitude, the accused must be given the alternative of leaving national service altogether, rather than undergo the sentence imposed. In case, however, this alternative is adopted by the accused, he shall not be received into national service again before undergoing the old sentence.

12. Indictment and conviction by the proper judicial tribunals may follow impeachment for the identical offense.

13. Members of Parliament, as well as all other officials (the executive councils of the department of Justice and the Chief Executive included), shall, at any time during their term of office or afterward, be subject to trial, conviction, and punishment by the proper courts of justice on any criminal charges, and in all cases where the punishment of the respective officials shall extend to confinement for one-third of the working year or more, in any of the national penal institutions, the convicted parties shall be subject to

removal from office by their appointers or, if the office held is elective or promotive, to impeachment proceedings on demand of one voter of their respective constituencies.

14. In the case of members of Parliament, or of any other official body, if it be proven afterward that charges have been trumped up against the accused party for the purpose of keeping him away from some session or sessions of the respective body and thus enabling the passage, defeat, or repeal of a certain measure or measures, the action thus taken in his absence shall thereby become annulled.

15. Any promotive officer who accepted an appointive or elective office outside of his regular line of promotion may, at the expiration of his term, or upon his arbitrary removal by his appointers, claim the right of priority previously held by him in his promotive office; i. e., any time a vacation occurs in one of the lower or higher grades of his former service, and providing he can prove his qualification for the position, his rights shall be prior to that of officials now holding a rank in the same department lower than that held by him at the time of resignation. No official, however, shall in such cases have a valid claim to active salaried service in any grade of official service as long as his former office remains occupied and no vacancy to which he has a valid claim occurs. The same provision shall also apply to cases where certain offices after being established are entirely abolished and their incumbents thus locked

out permanently. For temporary lock-outs of administrative officials, see "Lock-Outs," Sec. 9.

16. All promotive officials removed by impeachment or conviction, even in cases where they are not subject to further punishment by law, shall lose all previous standing in the official gradation of their department, retaining only the privilege of enlisting as common employees of the same, and then working themselves up anew, if they can do so.

ARTICLE XLIII

THE PROVINCE AND MUNICIPALITY

1. THE division of the country into provinces for administrative purposes shall be determined by geographical or physical differences of territory, or by racial differences of population. Where a division already exists from historical times, the old boundaries shall be maintained as long as the populations of the respective provinces so desire, regardless of the facts on what the division has originally been based.

2. Any settlement having a population of five hundred souls or more shall be recognized as a municipality and as such it shall have the right to govern itself, as well as all other rights and functions accorded to municipalities in the article on the National Revenue and in other places in this constitution.

3. The administrations of the province and the municipality shall be modelled as far as practicable after the political administration of the nation. Thus, the principle and method of minority representation, initiative and referendum, and the organization and functions of the necessary executive departments, such as Revenue, Education, Public Relief, as laid down in these pages, shall with some indispensable modifications be embodied in the constitutions of the various provinces and municipalities, with the exception, perhaps, in the case of initiative and referen-

dum, that the percentage of signatures required for popular petitions may be fixed relatively higher than it is provided for in the national constitution, owing to the lesser difficulties of combination and organization among small bodies. It is also to be recommended that provincial legislatures shall consist of one chamber only, which shall be known as the Provincial Assembly, considering that there is no great necessity for a Trades Assembly in legislative bodies not engaged in extensive industrial operations.

4. In conformity with the present system, the legislatures of the respective provinces may subdivide their respective dominions into counties or districts under separate boards of management; all such boards, however, shall be under the immediate control of their respective Provincial Assemblies, with no powers of legislation whatsoever, and the maintenance of such boards shall also be at the expense of the province.

5. The entire revenue of every province and all the municipalities within its borders, for the purpose of establishing, organizing, and maintaining their respective administrations, and for financing their subsequent operations, shall (like the National Revenue) be derived from one source only, viz., the rent of all lands within their respective limits held at the time by private parties for settlement or industrial purposes, as provided for and fully explained in the article on Revenue. For the appraisement of comparative rent values, the collection of rent, and other laws governing the appropriation and tenure of land by individual and public parties, see the above-named article.

6. In addition to the rights of appropriation of land accorded provinces and municipalities in the article on Revenue, provinces shall also have the right to obtain, free of all charges, tracts of land within their borders for laying out highways, country roads, or foot-paths, as the case may require, between municipalities and rural settlements. The national administration shall not be obliged to build such roads, except where it finds them necessary to the carrying on of its own operations.

7. The total amount of municipal and provincial rents shall be fixed at a point barely sufficient to cover their respective expenditures, and shall be subject to change every year in accordance with the increase or decrease in the respective expenditures.

8. The qualifications requisite for voting or holding office in the province or municipality shall be an age-limit of twenty-one years or over, national citizenship and residence in the constituency at the time of election.

9. The principal functions of the provincial administrations shall be:

A. To enact special legislation adapted to the needs and requirements of the respective provinces (which enactments shall, however, like those of the national parliament, be subject to the veto of the Department of Justice, whenever they are found contrary to the letter or spirit of the national constitution, or to some act of the National Parliament that is at the time in force; in the absence of such veto, however, all provincial enactments shall be recognized by all courts of justice as equal in validity to national legislation).

B. To build and supervise roads and other public works required in the respective provinces.

C. To erect and maintain homes for aged and infirm, asylums, etc. (for the shelter of persons who have no claim on the national government for pensions as provided in the article on Public Relief, Sec. 3).

D. To watch over the interests of the respective provinces from the hands of private individuals or companies as well as from those of the national administration (such, for instance, as to prevent by all legal means at their disposal the obliteration of beautiful landscapes and natural phenomena for industrial purposes, etc.).

E. To regulate the provincial revenue so that it will cover all the expenditures incident to the administrations of the respective provinces.

F. To issue interest-bearing bonds for the purpose of carrying on their respective operations where the same cannot be fully financed at the time out of revenue.

G. To discharge all other functions vested in provincial administrations throughout the pages of this constitution.

H. To discharge additional functions that may be vested in them by their respective provincial constitutions.

10. The principal functions of municipal administrations shall be:

A. To enact special legislation adapted to the needs and re-

quirements of their respective residents; which enactments, if not contrary to the letter or spirit of this constitution or to previous enactments by the National Parliament that are at the time in force, shall be recognized as law by all courts of justice as long as they remain unrepealed.

B. To provide for street paving, cleaning, draining, and lighting, and for transportation and communication between points within their respective limits.

C. To maintain efficient fire brigades and police forces.

D. To direct and supervise the laying out of streets and the construction of buildings whether public or private.

E. To watch the rights and interests of the municipality from being injured or encroached upon by either of the other two administrations or by private parties.

F. To build and maintain common and high schools, public libraries and hospitals.

G. To regulate the municipal revenue so that it will cover all the expenses incident to their respective operations.

H. To issue interest-bearing bonds for the purpose of carrying on their proper operations, where the same cannot be fully covered at the time out of revenue.

J. To discharge all other functions vested in municipal administrations throughout the provisions of this constitution.

11. Notwithstanding it is outside the functions of the municipality or the province to engage in industrial operations for economic purposes, they may do so in all cases where the operations in question are immediately connected with the proper exercise of their legitimate functions; thus, for instance, shall cities have the sole right of owning and operating their own public monopolies, such as street railways, lighting plants, municipal telephones, waterworks, etc., providing that all public services based on such operations shall be furnished at cost to the residents of the respective municipalities. In the same way, also, shall both the municipality and the province be at perfect liberty to perform all public works under their jurisdiction, such as paving of streets, laying out parks, etc., without the aid or interference of either the national administration or private parties.

12. Every province shall have perfect autonomy in all matters relating to its own citizens only. In the same way, also, shall every municipality have local independence from both the State

and the respective province in all matters concerning its own residents.

13. No province or municipality shall have the right of exercising any of the prerogatives of sovereignty, such as making war or peace, organizing and maintaining armies or navies, making treaties or alliances with foreign powers, coining money, lay duties on imports or exports, regulate immigration or emigration, etc., and all such acts by any province or municipality shall be null and void.

14. Any dispute arising between the administration of a certain municipality and that of its province as to the extent of their respective rights or functions secured to them respectively under this constitution, shall be tried originally by the Executive Council of Justice.

15. In case the point involved in the dispute is not a question of constitutional right but of privilege or priority of interests, the dispute shall, if possible, be settled by a board of arbitration whose members shall be chosen and agreed upon by both the contending parties. Where the nature of the dispute does not admit of a compromise, the interests of the Province shall be considered superior to those of the Municipality and those of the Nation paramount to those of both.

A BRIEF PROGRAM
for IMMEDIATE ACTION

1. AN INDUSTRIAL CONGRESS, OF A NATURE SIMILAR TO THE TRADE ASSEMBLY OUTLINED IN THIS WORK, SHALL BE ELECTED BY THE SUFFRAGE OF ALL ADHERENTS OF COLLECTIVE INDUSTRY (REGARDLESS OF ANY DIFFERENCES OF OPINION ON MINOR QUESTIONS) AND SHALL BE IN SESSION ANNUALLY AT SOME CENTRAL POINT FOR AT LEAST ONE MONTH, DURING WHICH TIME IT SHALL DETERMINE UPON ALL MATTERS RELATING TO THE FURTHERANCE OF THE CARDINAL PRINCIPLES PLACED AT THE HEAD OF THIS WORK (PP. 27, 28), REGARDING WHICH THERE CAN HARDLY BE ANY DIVISION OF OPINION. THE MANDATES OF THE SAID CONGRESS SHALL BE CARREID OUT BY A NATIONAL EXECUTIVE, WHICH SHALL BE IN PERMANENT SESSION THROUGHOUT THE YEAR.

2. A GREAT TRUST FUND (RIVALING THE THINLY VEILED CAPITALISTIC "FOUNDATIONS") MUST BE BROUGHT INTO EXISTENCE WITH THE GREATEST POSSIBLE SPEED, FOR COMBATING THE FORCES OF REACTION AND FOR FURTHERING THE CAUSE OF SOCIAL AND ECONOMIC REFORM BY EVERY LEGITIMATE MEANS AVAILABLE.

If you approve of the above program send your address to

SAMUEL RABINOWITZ
159 Marcy Ave., Brooklyn, N. Y.

PART II

COMMENTARY
ON THE
MODEL CONSTITUTION

My Dear Unknown!

Are you a Talker or a Döer? Are you a parlor-reformer or a soldier in the ranks?

Are you of those who bring to the cause bucketsful of sympathy and fine words, or of the others, who rather give it thimblesful of service and sacrifice?

If you are of the latter, duty calls you—you must help place this work in the hands of every thinking man and woman in the land.

You say you are able to do but little? DO YOUR LITTLE, for it is this little that is lacking to bring about the Economic Emancipation of Mankind.

It took 999,888,777,666,555 rain-drops to pierce a rock—if one drop had been lacking the rock would have remained unpierced.

The Author.

P.S. All orders marked for distribution will be filled at $1.00 per copy.

CHAPTER I

ON THE RIGHT OF PRIVATE OWNERSHIP OF PROPERTY IN GENERAL AND OF LAND IN PARTICULAR.

The ownership of land and everything by nature permanently attached to it, such as rivers, lakes, mines, forests, etc., shall be primarily vested in the nation as a corporate body.

(Model Constitution, Article II, Section 1.)

On the right to absolute ownership of property in general and of land in particular, there is a wide divergence of opinion among sociologists.

Bentham, who denies the existence of any individual rights, except those created by civil laws, is, of course, consistent in denying the natural right of individuals to any form of property.

Charles Comte says in refutation of Bentham's theory: "If nations can only exist by means of their property, it is impossible to admit that there is no natural property unless it be admitted that it is unnatural for men to live and to perpetuate themselves. . . . . according to Montesquieu and Bentham, it is civil laws which give rise to property, and it is clear

that both mean by civil laws the decrees of public power which determine the possessions which each one may enjoy and dispose of. It would, perhaps, be more correct to say that it is property which gave birth to civil laws; for it is hard to see what need a tribe of savages, among whom no property of any kind existed, could have of laws or of a government."

Mirabeau said to the constituent assembly that: "The law alone constitutes property, for it is only the political will which can effect the renunciation of all, and give a common title, a guarantee to the use of one alone."

On the other hand, article sixteen of the French revolutionary constitution of 1793 reads: "The right of property is the right belonging to every citizen, of using and disposing as he likes, of his goods, his revenues, of the fruit of his labor and his industry."

Of property in land, M. Proudhon says: "Since every man has the right to occupy (some part of the land's surface) from the simple fact that he exists, and that to continue in existence he cannot dispense with a material of exploitation and of labor; and since, on the other hand, the number of occupants varies incessantly, owing to birth and deaths, it follows that the quantity of matter which each worker may claim is variable like the number of occupants; that occupation is always subordinate to population; and finally, that possession, never being able rightfully to remain constant, it is, as a fact, impossible that it should become the basis of property." And

again: "A man who was forbidden to travel over the highways, to rest in the fields, to take shelter in caves, to light a fire, pick the wild berries, to gather herbs and boil them in a piece of baked earth—such a man could not live. Thus, the earth, like water, air and light, is a first necessity which each ought to be able to use freely, without injury to the enjoyment of them by another."

In answer to this contention, economists of the opposite side advance the argument that, thanks to the modern development of industry, land is not the only source of wealth. Though a man does not own a farm or plot of ground, he is not, because of that fact, doomed to annihilation, as he has at present a thousand other means of maintaining himself.

Of later day economists, J. S. Mill holds that all private property rests on public welfare, and is only sanctioned on the ground that it is favorable to the public good. Even what a person has produced by his individual toil unaided by any one he cannot keep unless it is the will of society that he should. Of property in land he says: "When the 'sacredness of property' is talked of, it should always be remembered that any such sacredness does not belong in the same degree to landed property. No man made the land. It is the original inheritance of the whole species. Its appropriation is wholly a question of general expediency. When private property in land is not expedient it is unjust." (Political Economy, Book 2, Chapter 2.)

Herbert Spencer, after a number of propositions

and deductions, arrives at the conclusion that "Equity does not permit property in land," and that "this verdict (of equity) enjoins a protest against every existing pretension to the individual possession of the soil, and dictates the assertion that the right of mankind at large to the earth's surface is still valid; all deeds, customs, and laws notwithstanding." He further pursues his speculations to the point that "not only have present land titles an indefinable origin, but it is impossible to discover any mode in which land can become private property," illustrating at length that not even the act of reclaiming land from its uncultivated state will make a man's title to it valid, no matter how much labor and wealth he expended on it, as the consent of society (all mankind) is necessary to such an appropriation. He, therefore, advocates that "instead of land being in the possession of individuals, the country should be held by the great corporate body—Society; instead of leasing his acres from an isolated proprietor, the farmer would lease them from the nation. Instead of paying the rent to Sir John or His Grace, he would pay it to an agent or deputy agent of the community. Stewards would be public officials instead of private ones, and tenancy the only land tenure."

As no suggestion of importance was made by Spencer as to the ultimate use to which the enormous land revenue resulting from the nationalization of land shall be put, room was left to Henry George to elaborate his Single Tax system.

Without entering into the merits or demerits of

either side to this abstract controversy, the author of this work makes **EQUALITY OF OPPORTUNITY** the only test of the righteousness of any and all forms of property ownership. Between the extremists who maintain that the shirt on my back is not my own, and the others who claim that whatever I am able to fence in is mine, the author takes the stand that **EVERY MAN HAS A RIGHT TO EVERYTHING IN CREATION OF WHICH HE IS ABLE TO POSSESS HIMSELF, PROVIDING HE LEAVES A DOOR OPEN TO EVERYBODY ELSE TO HELP HIMSELF LIKEWISE WHENEVER HE SO CHOOSES.**

As the earth's surface is the source of all wealth, and as its extent is limited by nature, it follows that the absolute and unlimited ownership of it by certain individuals would deprive the rest of the people of an equal opportunity to such ownership. It is begging the question to say that though a man has no opportunity to own a farm he may own a clothing store or a shoe factory, as this is not true equality of opportunity. The acquisition of property by one individual must, like the acquisition of knowledge, leave the same field free for others. As the fact that Mr. Smith is making himself master of languages does not deprive others of the powers of speech, so must the chances of enjoyment of any form of property not be impaired by the acquisition of others in the identical field. It is thus clear that, whatever may have been the status of private ownership of land in any country while its population was so sparse as to allow

every settler an equal opportunity of appropriation, such absolute ownership cannot be recognized or granted at an advanced stage of its development without thereby creating inequality of opportunity.

Again, the right to absolute individual ownership of land cannot be granted without clothing those holding such land with the power of withholding from others the opportunity to labor, since labor cannot be exerted without land.

It may, perhaps, be contended that under a system of land-tenancy from the State, inequality of opportunity may develop in the same way when all available land shall have become parceled out to the first tenants under the new contract. It must, however, be borne in mind that as the absolute ownership of land is vested in the State, the latter will have a free hand to deal with any evil arising out of the new system of land-tenure in accordance with the requirements of each particular case.

CHAPTER II

ON THE RIGHT OF THE STATE TO SEIZE PRIVATE LANDS FOR PUBLIC USE.

Upon the inauguration of the industrial system defined in this constitution, and at any time thereafter, the State shall have a right to seize, on behalf of the nation, all property that partakes of the nature described in the foregoing section (henceforth included

in the single term land), or any portion thereof, that may be needed in its operations. This right of seizure shall, however, be subject to the following conditions: (1) at the first transference of any piece of land from private to national ownership (and regardless of whether such transference is made at the time of the inauguration of the new industrial system or at any subsequent time), the State shall be bound to indemnify the owners thereof to the full market value of the same at the time of seizure; (2) in the case of subsequent seizures of land from private parties holding the same from the Industrial State under the right of tenure defined in the article on Revenue, indemnity shall be paid only to the extent of the value of the improvements based upon, or incorporated in the same, at the time of seizure, and provided that said improvements have been created by human labor; no indemnity shall in this case be paid for the property itself in its natural state (for the reason that the parties holding the same were never granted the right of absolute ownership), nor for any accidental value that may have accrued to the property in question by extraneous circumstances, such as the adjacent settlement of communities, establishment of roads and canals, etc. (such accidental value having been created by the public, it naturally belongs to the public.)

(Model Constitution, Article II, Section 2.)

The right to seize private lands for public use has been exercised from time immemorial by all States and under all forms of government, and is known in judicial terminology as the Right of Eminent Do-

main. In autocratic countries the act is regarded merely as a resumption by the sovereign of his inherent right to the property in question, while under republican forms of government, the right of eminent domain is founded on expediency, or the requirement of public welfare. In England, Parliament has full power to exercise the right of eminent domain, and to decide in each particular case upon the compensation, if any. In the United States, the fifth amendment to the constitution, which provides compensation for private lands taken by the United States, confers by implication the right of eminent domain upon the federal government. In the case of Kohel vs. The United States, the Supreme Court decided that there is "an independent power in the federal government to condemn lands of private persons in the several states for its own public use; that the right is the offspring of public necessity, and is inseparable from sovereignty, unless denied to it by its fundamental law." The constitutions of almost all the states (of the U. S.) likewise provide for the exercise of the right of eminent domain by their respective legislatures.

The rule has universally been followed that any improvement which enlarges the resources, extends the industrial energy, or permits the productive power of even a moderately large number of the community to be exercised, is to be regarded as a public use; the legislature being the sole judge as to the existence of such public benefit in each case. In accordance with this rule, governments, whether federal, provin-

cial, or municipal, have exercised the right of seizure for the purpose of building roads, canals, bridges, reservoirs, and public buildings, for the establishment of telegraph and telephone lines, laying out of parks and public burial grounds, widening streets, etc.

The right of eminent domain is sometimes also delegated to private corporations or even to individuals for industrial purposes, in case the industries operated by them supply a public necessity. Thus, when water power was chiefly used in running mills, favorable sites were condemned for the construction of the same by private parties, when owners of the respective locations obstinately refused to sell them for that purpose.

As no government was hitherto engaged in industrial enterprises, there is, of course, no precedent of the exercise of the right of eminent domain for industrial plants operated by the State itself; seeing, however, that public benefit, even when limited to a small portion of the community, was considered sufficient cause to extend the right, even to privately operated industries, there can surely be no ground to withhold the same right from the State when it decides to enter the industrial field for the benefit of the whole people.

Even those who deny the sovereign right of seizure to the State under the present laws admit that society has a right to assume such prerogative whenever it chooses to radically change its institutions. Thus, M. Naquet, a staunch defender of the capitalistic system, says: "Spoliation exists when in a settled

state of society a man is despoiled of what he possesses by virtue of laws which are allowed to exist and which are professedly held in respect; in this instance confiscation is robbery. But when you lay hands on the edifice and change the state of things, it cannot any longer be a question of spoliation but of total change in what exists. The Feudal Lords were not despoiled because Feudalism was suppressed. The French Church was not despoiled when its property was seized and replaced by stipends provided for by the national budget . . . . the slave owners were not despoiled when slavery was suppressed, although an isolated planter in the South would have been entitled to say that he was robbed if his slaves had been confiscated while slavery existed. A king is not despoiled because a country proclaims a republic, but he is despoiled if his power is given to a usurper. Society has the undoubted absolute right of completely transforming itself. This right cannot, therefore, be denied to the revolutionary socialists, subject, however, to a two-fold condition, viz., that they shall bring to mankind something better than that which it possesses, and that the great majority of men shall be convinced of the righteousness of the new principles, and shall accept the transformation required by them."—*Socialisme Collectiviste et Socialisme Libéral.*

On the question of compensation to land owners for confiscated property, there is also division of opinion. The common practice coupled with the exercise of the right of eminent domain under the

present system, is to give full compensation to the owners according to appraisement by competent tribunes. Economists, however, differ on the validity of the right to such compensation, as well as on the extent to which it shall be carried. According to Mill, "they (the claims of land owners) are only valid in so far as the proprietor of land is its improver. Whenever in any country the proprietor, generally speaking, ceases to be the improver, political economy has nothing to say in defense of landed property as there established. In no sound theory of private property was it ever contemplated that the proprietor of land shall be merely a sinecurist quartered on it." —Polit. Econ., Book 2, Chap. 2.

Inconsistently, however, with the above, Mill advocates later in the same chapter the payment of full indemnity to land owners "subject to the proviso that the State is at liberty to deal with landed property as the general interests of the community may require, even to the extent, if it so happen, of doing with the whole what is done with a part whenever a bill is passed for a railroad or a new street."

Spencer also limits indemnity to the extent of the value of improvements. Thus, he says: "Just as in the case of a house you would have an equitable title to compensation from the proprietor for repairs and new fittings (done without his permission), so the community cannot justly take possession of your estate without paying for all that you have done for it."

It has thus been shown that the sovereign right of

the State to seize all private lands within its domain, or any portion thereof, for public use, is universally recognized both in theory and practice. As to compensation, the writer of this work takes the ground that **INDIVIDUALS HAVE A RIGHT TO FULL COMPENSATION FOR ANY PROPERTY ACQUIRED BY THEM IN A LEGAL MANNER, AS SANCTIONED BY THE LAWS EXISTING AT THE TIME OF SUCH ACQUISITION.** It follows, therefore, that as present laws everywhere confer upon individuals the right to acquire absolute ownership in land, in its natural as well as in its improved state, and to enjoy the benefits of any extraneous value accruing to it as well as those of its intrinsic value, the State has no moral right to deprive them of such title without full compensation according to market value.

In the case, however, of seizure of land which has been conveyed to the party in question by the State after the inauguration of the new system, where no such absolute right of ownership shall have been conveyed, any indemnity claim over and above the value of the improvements incorporated in the same since the time of such conveyance, will have no justification either of law or equity.

CHAPTER III

WHO SHALL ADMINISTER THE PEOPLE'S INDUSTRIES?

Apart from the ownership of the class of property defined in section 1 of this article, and the operation of the industries based upon the same, the State shall also have the right of owning any kind of property, and of engaging, on behalf and for the benefit of the people, in the operation of all other industries and the production of all other commodities, utilities, and services which the new administration may find suitable to national management.

(Model Constitution, Article II, Section 9.)

With the object of propitiating the opponents of Socialism, who charge that with the centralization of increased powers and functions in its hands the national administration is bound to develop into a despotism or paternalism, certain theorists have been led to assert that the operation and direction of industry in the coming industrial State will be split up among the different provinces or even townships. August Bebel would make the Commune the basis for industrial units, or, if too large, he would subdivide this into districts. Anton Menger would make the municipality the owner of all industrial plants and the authority on all industrial activities within its

limits; it alone would have the power to establish labor groups for the operation of the said industries, and to dissolve or discharge them at will, also to divide the produce of said industries according to any proportion it may decide upon. Other writers depend on voluntary co-operative societies to carry on the operation and management of the public industries.

All such theories, however, exhibit an unconscious reversion to ancient Communism, and should they ever be applied in practice they will, in all likelihood, end in failure and bring discredit upon the entire movement. The evolution of modern industry is decidedly and unmistakably in the direction of greatest centralization, by the aid of which all the victories of Capitalism have been won, and which is in fact conducive to highest industrial efficiency. What is needed is not a territorial division of industry (on the lines of Fourier's Phalanges), but a practical division of management and operation according to the natural ramifications of the various branches of industry. Unhampered industrial growth knows of no territorial boundaries. In the annals of capitalistic combination under the present system of industry, "Trusts" are not formed because the industrial units entering into them are situated in the same city (although different in their nature), but because they are engaged in the same, or allied, branches of industry (although scattered in different localities), and the capitalists making these combines surely know what is best for them. Collective industry can never hope to triumph over private enterprise in the same field

if it attempts to fight its battles with inferior weapons. Besides, should the industries of the nation be carried on by independent, or even loosely federated, localities, the world will see a repetition of the old commercial rivalry between the free cities of central Europe in the middle ages, with their interminable petty wars and intrigues and their final downfall.

In this work, the function of owning and operating the people's industries (with the exception only of utilities and services which are local in their nature, such as local transit, street cleaning and lighting, etc.) is vested solely in the State. This, however, does not mean that the National Parliament will itself run from one central point all the various industries of the land, as the reader will soon convince himself by a perusal of the succeeding articles of the model constitution. The decentralization which impractical theorists attempt to bring about by arbitrary territorial divisions is accomplished in this work by the assignment of the various branches of industry to various departments under the management of separate responsible Executive Councils, vested with large autonomous power, and by the division and subdivision of their functions into respective Bureaus and Offices (see "The Executive," and "Bureaus and Offices"), which is much more business-like and in line with the natural evolution of industry.

CHAPTER IV

ON THE EXISTENCE AND VALIDITY OF NATURAL RIGHTS

The rights of individuals and their claims upon the State.

(Model Constitution, Article III.)

THERE is a wide difference of opinion among sociologists as to the existence or validity of human rights in general, and of certain rights in particular.

Thus, Benham says that the government is "creating rights which it confers upon individuals; rights of personal security; rights of protection; rights of property," etc.

Spencer, in his treatise on "Great Political Superstitions," challenges this statement, declaring that the term "creating rights" is absurd, and that the entire proposition "leaves us in a plexus of absurdities," supporting his contention by the argument that had there been no natural human rights, there should be nothing approaching uniformity in the codes of the different nations, seeing to the contrary that there is a great correspondence between them, thus, they all forbid homicide, theft, adultery, etc., it follows that there must be some fundamental and natural human rights. It must, however, be mentioned that Spencer

vehemently excludes the "Right to Labor" from the list of such rights.

Of other economists, Professor Jevons says: "The first step must be to rid our minds of the idea that there are any such things in social matters as abstract rights."

Buckle says of Burke: "He recognized in all its bearings that great doctrine which even in our own days is too often forgotten, that the aim of the legislator should not be truth but expediency."

(History of England, Vol. I, Chap. VII.)

No matter, however, which side of this philosophical controversy the reader is inclined to favor, the employment of the term "right" as applied throughout this work in conjunction with the claims upon the State granted to citizens under the provisions of this constitution, is sociologically correct. If there is such a thing as natural human rights, the rights to liberty and equality of opportunity are surely the foremost among them; if, on the other hand, those economists are right who say that the rights of any given people are created by their respective governments, then the rights of the people of the Industrial State will spring into being with their adoption of this constitution.

CHAPTER V

CAN AN INDUSTRIAL STATE GIVE EMPLOYMENT TO ALL APPLICANTS?

The State shall be bound to furnish employment on demand to all citizens applying for it, etc.
(Model Constitution, Article III, Sec. 1.)

Rabid anti-socialists like Shaffle, Flint, etc., deny categorically that it is physically possible for any industrial administration, be it private or national, to comply with the above provision. A critical analysis of their contention, however, cannot fail to convince the unbiased reader of its utter groundlessness.

They affirm that it is impossible to find employment for all applicants; owing to what reason?

Is it because of a lack of natural resources and material upon which human labor may be exerted? Look up any authoritative work on the subject and you will find that the arable and timber land and the mineral deposits of a country like the United States are sufficient to keep a population five times the size of the present one busy for centuries (if not *ad infinitum*, as some would have it) producing commodities, utilities and services.

Is it because the State will lack the means of acquiring these natural resources? How did the governments of Europe obtain the many billions of dollars

that were needed to keep up for years the mutual slaughter of their citizens? And does it not stand to reason that money lenders will sooner advance loans for purposes of production than for purposes of destruction—if not out of humane considerations, at least because of the greater safety of their investment in the former case.

If you say that an undertaking to furnish employment to all applicants will require such enormous capital as to make even the war budgets of the European nations seem insignificant, you must also remember that by the provisions of this constitution the Industrial State is by no means obliged to grant the Right to Labor on Demand immediately upon its engagement in industrial operations. It will thus have ample time to acquire capital gradually and naturally in the same way as private concerns are doing at the present day.

But, say the same critics, what will the administration do with the enormous amount of produce that will accumulate on its hands as a result of this reckless production? And suppose it fails to find a market for the same, how will it keep on paying the wages of its employees?

The answer to this is that there will be no reckless production. The administration will proceed slowly and cautiously. No more will be produced of any commodity at any time than what may reasonably be expected to be readily disposed of. (See Introduction, pp. 21-24.)

That the national produce will find a market sooner

than the produce of private industry is evident from the fact that by the elimination of profits, and the attainment of a degree of efficiency possible only to industry on a national scale, the administration should be able to undersell any and all private competitors. Should this logical expectation fail to materialize in any branch of the national industry, it cannot be due to anything else than the incompetence or dishonesty of the managers thereof, and there will be no hesitancy to drop their official heads into the basket by means of the keen and ever-ready "Recall" axe. There will surely be no repetition of the "Blanc Workshops" fiasco.

Should the product of any branch of the national industry after all fail to rival that of private industry in the same field, owing to some secret process or other combination of insuperable circumstances, the administration may limit its operation in the respective field to any extent, or discontinue it entirely if necessary, and seek new channels for its activity.

Should the administration at any time, after granting the Right to Labor to its citizens, find the *total* amount of produce turned out by them swelling to unconsumable proportions, supply may be adjusted to demand by the simple expedient of shortening the working-day. You may, perhaps, ask how can the administration do that and successfully compete with private industry maintaining the longer working-day? But then you forget that no sane worker will work long hours for a private employer when he knows that he can obtain on demand the same wages from the

government for a shorter working-day. Any cut in the working-day made by the administration in its own industries will thus, by force of circumstances, become the law of the land without direct legislation.

In case of an accumulation of large quantities of unsold stock in the national reserves, how will the administration obtain ready cash to carry on its immediate industrial operations? For an answer to this question, see Model Constitution, Article XV, Section 2.

CHAPTER VI

FREE TRADE

Individuals shall be free to buy commodities, utilities and services from private as well as from government stores, and from foreign as well as from domestic markets, without paying any duties or imposts to the State.

(Model Constitution, Article III, Section 7.)

Whatever valid arguments there may have been under the old system in favor of a protective tariff will fall by their own weight with the inauguration of the new industrial system. Thus, all arguments for a high tariff hitherto advanced fall under one or the other of the following heads: (1) that by excluding foreign products from the home markets more work will be found for the laborers at home; (2) that a high tariff will keep the standard of wages

at home from being reduced to a lower level obtaining abroad; (3) that by affording capitalists the possibility of realizing a profit in manufacturing for domestic consumption it will induce them to organize and develop home industries.

The inauguration of the new system of national industry gives the quietus to all of the above arguments. (1) Under the new system which makes the interests of employers and employees one and the same, there will be no motive to increase the amount of work; rather will it be the constant solicitude of the administration to lessen it, and when it shall at any time find that the total amount of available human labor is greater than what is needed for the production of the annual wealth of the nation, it will shorten the working-day. (2) Under the new system which eliminates unemployment, and which provides that all goods imported by the administration must be sold to the public at cost, no one but a person of unsound mind will contend that anybody will be worse off by the influx of low-priced goods from some foreign land, seeing that such importation is sure to make his income go farther when spent in exchange for the respective commodities. As to the administration, should it find that, owing to the cheapness of labor in China and Japan it is not able to compete with those countries in the culture, say, of rice, tea or coffee, without lowering wages in the same industries at home, it may entirely abandon its activities in said fields, and procure the said commodities from foreign markets in exchange for other commodities produced

or manufactured at home, and of which, for any reason, there may be a shortage elsewhere. Thus, free trade will afford the greatest possible scope for international specialization of industry, each nation abandoning or limiting its activity in those branches in which it finds itself at the time at a disadvantage, so as to be able to use all its industrial power in a way most suited to its genius. (3) Notwithstanding that private operation of industries will be perfectly permissible under the new system, there will surely be no necessity to *induce* capitalists to undertake such operations, since, under the new order of things, industry will not go begging even if private persons refrain from initiating it.

As to using the tariff as a means of raising revenue, there will be no necessity for it, since, by the provision of this constitution, all forms of revenue are raised from one single source—land. (See "Revenue.")

CHAPTER VII

A BI- OR UNI-CAMERAL LEGISLATIVE, WHICH?

The chief legislative powers of the nation shall be vested in two legislative bodies known severally as the National and Trade Assemblies, and jointly, as the National Parliament.

(Model Constitution, Article V, Section 1.)

The creation and maintenance of two legislative bodies or "Houses," which shall have to pass upon

the same matters of legislation, can be justified only in case the two branches in question represent different interests. In the great majority of constitutional countries, both in the old and new world, this is at present not the case. As almost all constitutional countries have inherited their parliaments from England (the Mother of Parliaments), they have swallowed her bi-cameral system of legislation at the same time, regardless of fundamental social differences.

The bi-cameral system of Great Britain is an outgrowth of her social divisions and political struggles extending over many centuries. The Lords and the Commons of that country represent respectively the two divisions into which English society has by a long succession of events fallen, viz., the Nobility and the Common people.

In the United States, where no such division existed, the bi-cameral system had, nevertheless, some justification at the time of the ratification of the constitution, viz., the preservation of State (provincial) as against Federal rights; the House of Representatives, elected by the people at large, being supposed to represent federal interests, while the Senate, appointed by legislatures of the various States (provinces), was supposed to watch over the rights of the respective States as against the encroachment of the federal government. Since, however, by the seventeenth amendment to the constitution the Senate has also come to be elected by a popular vote, the last ground for the division of the legislative into two bodies has been removed.

Even before the passage of the said amendment, the Senate and House were never divided on functional lines in the championship of State and Federal rights respectively. During the stormy days preceding the Civil War, we find Southern members in the lower house espousing the cause of the native states with equal, if not with greater, vigor than their fellow countrymen in the Senate. Again, the very desirability of preserving the sovereign rights of the separate states, with the resultant confusion of jurisdiction and overlapping or clashing of laws, has of late come to be seriously questioned.

J. S. Mill, realizing the lack of a natural line of division of interests or functions in the double chambers of most constitutional countries, endeavored to establish an artificial boundary. To this end, he suggested the creation of an upper house founded on the aristocracy of talent in general and administrative ability in particular. This new legislative creation, or as he calls it, "The Chamber of Statesmen," is to be made up of experienced officials "who have passed through any important political office or employment," such as "chief justices, all who held cabinet offices for two years, all who held the office of commander in chief, all who, having commanded an army or fleet, had been thanked by Parliament for military or naval successes, all who have held, for two years, any colonial governorship, etc."—Representative Government, Chapter XIII.

It is hardly necessary to state that such a project is extremely impracticable and undesirable; in demo-

cratic countries, it would mean merely the creation of a privileged aristocratic body where none such existed before.

Some defend the bi-cameral system even where no division of interests exists on the ground that it keeps a check on hasty legislation, by necessitating a two-fold consideration of every proposed legislative measure. It must, however, be borne in mind that this advantage may easily be attained even with a single-chamber legislative by subjecting every piece of legislation to a second or even third reading (if desired), before it is enacted into law.

The bi-cameral system, as provided in this work, does not owe its existence to either artificial ingenuity or abstract speculation, but to **a real difference in the interests represented.** The Trade Assembly consists of a body of men representing the active workers of the country at the time; the members thereof naturally possess special and professional knowledge of the various branches of the nation's resources and industries; their interest, also, will naturally lie in promoting the welfare of the workers who sent them, and in aiding the progress of the industries which they respectively represent. On the other hand, members of the National Assembly, representing as they do certain policies of various political groups of citizens, as well as certain sections of the country, will naturally seek to advance the interests of their constituents (whether the latter are or are not at the time active workers), and the adoption of the policies for which they respectively stand. With the two houses repre-

senting different interests, and acting from different motives, a bi-cameral system is both justifiable and desirable.

CHAPTER VIII

PROPORTIONAL REPRESENTATION

(Model Constitution, Article V.)

The old system of representation, now prevailing in most constitutional countries, is known as the Majority System of Representation. Its chief fault is that, being based on single-member constituencies, it excludes minorities completely from representation in the councils of the nation. The election of the legislative body of the nation is thus a gamble between two or more parties, the winner to take all. In actual practice, of course, a strong minority is always sure of some representation, owing to the fact that the adherents of the various parties are not likely to be so evenly and proportionately distributed throughout the land as to give the stronger party a majority in every election district. Minor parties, however, are in almost every case wholly or materially deprived of the share of representation to which their respective number of voters entitles them. Thus, in the United States in 1912, the Socialist Party polled 930,000 votes, which entitled it to 26 members in the House of Representatives; in practice, however, it failed to secure a single seat. To the followers of such parties,

therefore, the net results of the old election system is nothing else than **LEGISLATION WITHOUT REPRESENTATION.**

Again, in countries like the United States, where plurality votes are decisive and final, it may happen (and has, in fact, happened) that the nation shall be governed by a minority of its voters (as in case the successful party polled a larger vote than any of its competitors, but failed to secure a majority of the total vote).

To remedy these faults, the idea of Proportional Representation was first broached by Andrea in Denmark, and Hare in England, about the middle of the last century. Subsequently it was developed and perfected in a variety of forms and finally put into successful operation by some of the more progressive peoples of Europe.

The basis of all systems of Proportional Representation is the plural-member constituency; in other words, the enlargement of the constituency, or election district to an extent which will entitle every single one of them to more than one representative.

In their methods, all the various systems of Proportional Representation fall into one or the other of the following two classes:

1. The Single Transferable Vote.
2. The List System.

The scheme of the single transferable vote as evolved by Thomas Hare, and subsequently developed and endorsed by J. S. Mill, has had practical application in Denmark and South Africa. It is

based on the principle that the surplus votes cast for candidates in excess of the quota required for election (said quota having previously been fixed by law), as well as the votes cast for candidates who failed to receive such quota, shall not be wasted, but shall be given to other candidates indicated on the respective ballots.

Thus, supposing that in a certain constituency there are four candidates whom we shall call A, B, C, and D, a voter is permitted to place figure 1 opposite, let us say D, to indicate that D is his first choice; figure 2 opposite A to show that in case D fails to receive the quota necessary for election, or in case he has already received the required quota and has no need for more votes, the vote in question shall be given to A; figure 3 opposite B to indicate that B is his third choice, etc. After the vote has been completed, all candidates who are found to have received the required quota of votes (either first or transferred, or both), shall be declared elected.

All other transferable vote systems suggested or tried are merely variations of the above.

Of List Systems, the most perfect specimen is that set forth in this work. In its main features (with the exception of the method of apportionment), it is the same as presented by the *Commission Du Suffrage Universal* to the French Chamber of Deputies in 1907, and subsequently in a perfected form in 1911. All other List Systems are merely variations of the above. Of the most important variations of the List System, mention may be made that some do and some do not

permit cumulative voting (i. e., the casting of more than one vote by a single voter for a single candidate). Others allow the cumulative vote in a limited form, i. e., a voter is permitted to give a certain portion, but not all of his votes to a single candidate. Again, there are different methods of apportioning the seats to the various lists after the result of the election has been ascertained, some of these being so complicated as to require algebraic processes of computation.

The List System in one or another of its various forms is at present in satisfactory operation in Switzerland, Belgium, Sweden and Finland.

The author of this work gave preference to the List System, and to the special form of the same here given, because of the following reasons:

1. It is equally fair to independent candidates as to party nominees; thus eliminating machine-politics.

2. The freedom of the voter in disposing of his vote is unlimited and unrestricted; thus, a voter is enabled to take part in the filling of *every* vacancy in his constituency, and to split up his vote among the various parties if he so chooses, things obviously impossible with the transferable-vote system.

3. Every constituency is given its full quota of representation in strict accordance with its voting population (even if the entire vote was not polled at the respective election).

4. Every political combination, the smallest as well as the greatest, is sure of electing the full number of representatives to which it is proportionally entitled.

5. The process of conducting elections, ascertaining

results, and apportioning seats, as set forth in this work, admits of greater ease, simplicity and accuracy than any other system of proportional representation known to the author. It should be noticed that the three different apportionments require only one election, and that there is no overlapping in the representation given the three different interests, independent, political, and provincial.

CHAPTER IX

THE FUNCTIONS OF A TRUE EXECUTIVE

The functions of the president and vice-president of the Department of the Chief Executive shall be the same as those exercised in most civilized countries by the president and vice-president of an ordinary assembly according to well-established Parliamentary Rules, and their powers shall not exceed the powers of the same.

(Model Constitution, Article VI, Section 8.)

The Executive, as the name clearly indicates, is supposed to be a branch of government whose function is to execute the legislative enactments of Parliament. In strict accordance with this interpretation, members of the executive should have no voice in legislation, and no powers of independent action in matters of importance, such as vetoing legislation, making war or peace, pardoning convicted offenders, dissolving or adjourning Parliament, etc.; also, the

responsibility of every department of the executive should be to Parliament alone.

At present, there is no constitutional government in which the executive is ordered on the above natural lines. The Cabinet in England is the real arbiter of national policy, foreign or domestic, the whole sovereign power being concentrated in its hand. Nominally the English cabinet is supposed to be the instrument of the House of Commons, and is sometimes spoken of as a "committee" of that body; practically, however, "the ministers have, in a sense, inherited the ancient prerogatives of the crown; and Parliament is, in in a very sensible degree, dependent upon them for the efficacy of the part it is to play in governing. Almost all important legislation waits for their initiative, and the whole business of the Houses to a great extent depends upon them for its progress. They can make treaties, of whatever importance, with foreign countries; they can shape the policy of the mother country towards her colonies; they can take what serious steps they please with reference to the government of India, can place troops and naval forces at pleasure, can make a score of momentous moves of policy toward the English dependencies and towards foreign countries,—in the field, that is, of many of the largest interests of the Empire,—which may commit the country to the gravest courses of action; —and all without any previous consultation with Parliament, whom they serve."—Woodrow Wilson. (The reality of this last-named power was strikingly borne out by the events immediately preceding

the great European war; for it was the Cabinet which launched England as an active participant in that struggle.)

At the same time the king, who in theory is the fountain-head of all sovereign power, has, in course of time, come to be shorn of all power. His summoning of the ministry to power is a mere formality, as by the workings of England's unwritten constitution, the cabinet derives its power automatically from the majority of the House of Commons, and falls with the fall of the latter.

Some point to the fact that an adverse vote of the House unseats the ministry, as indicating that the latter is really a servant of the former. A more thorough analysis of this fact, however, will convince the reader that just the reverse is proven by it. The fact that a ministry falls by an adverse vote of the legislative body upon the policies pursued or introduced by the former, shows clearly that in the natural course of events, the said legislative body is supposed to subscribe subserviently to the entire program submitted by the said ministry. Again, it must be remembered that in England, the fall of a ministry means almost invariably the dissolution of Parliament itself; it is, therefore, not to be expected that Parliament will easily or frequently decide upon rejecting a ministerial measure. For the coercion of the House of Lords, the Cabinet has a still more formidable weapon, viz., as a last resort it may flood that chamber with newly-made peers who will outnumber and outvote the old ones if the latter prove intractable. So effective is that threat that in the last squabble be-

tween the two bodies in question, the House of Lords was forced to curtail its own power.

In the United States, just the reverse is the case. The members of the cabinet have no constitutional status at all, their service being merely in the capacity of a privy council to the Chief Executive, to whom alone they are responsible. On the other hand, the Chief Executive is constitutionally invested with all the dictatorial powers which have been mentioned above as not naturally belonging to a functionary whose mission is strictly to execute the orders of others; thus, the President of the United States has the power to appoint and remove the members of his cabinet, to veto legislation, to initiate war and peace, to pardon offenders against the federal government, etc. In this respect the United States constitution, which owed its creation to the abolition of monarchy, set up a monarch far more powerful than the one whose sovereignty it supplanted; for while the king of England has been reduced to a figure-head or formula, the President of the United States possesses at this day powers (some of them dormant in normal times) which may be employed to legally defy or counteract the will of the people as expressed by their chosen representatives, even in such grave matters as war and peace which were taken out of the hands of the English sovereign centuries ago.[1]

[1] Thus, during the Mexican squabble of 1915-1916, the President mobilized the various state militias and sent some of their contingents across the border on his own initiative. The same was also the case with the occupation of and the subsequent withdrawal from Vera Cruz.

The executives of other constitutional countries are merely variations of one or the other of these two.

Thus, in France, the ministers or chiefs of departments are generally chosen from among the members of either House of Parliament; but, whether members or not, they have, as ministers, the right to attend all sessions of either House of Parliament, and to take a special *privileged* part in debate. Like the English cabinet, the French ministry is also summoned to office by the Chief Executive (the President), responsible to Parliament, and unseated by an adverse vote of the latter. The president has the power of appointing and removing all officers of the public service, of demanding the reconsideration of any legislative measure that has been passed by Parliament (but no outright veto), of adjourning or closing the sessions of Parliament in certain cases, and of dissolving the Chamber of Deputies altogether. (This last with the consent of the Senate.)

In Germany, the Chief Executive is, of course, the Emperor. He wields almost autocratic power through the Imperial Chancellor, who is appointed by himself, responsible to himself alone, and removable at his pleasure; the other so-called ministers are merely administrative officials at the command of the Imperial Chancellor.

The Swiss executive, or as it is there termed, the Federal Council, would come about the nearest to the ideal set forth at the beginning of this article, if it were not for the fact that it possesses a controlling power in legislation.

The Executive, as outlined and defined in this work, is, true to its name, the Business-Manager of the nation. The various affairs of the People are placed in the hands of separate bodies who are not responsible to each other, but to the National Parliament, and who have no independent powers or prerogatives except such as the owner of a private business would entrust to his manager. At the same time an adverse vote of Parliament upon any policy or action of the executive does not drive the latter out of office any more than the first difference of opinion between a private business-man and his manager would necessarily mean the dismissal of the latter.

Even the department of the Chief Executive, provided in this constitution, has no controlling power over the other departments; it is chief only in the sense that it is assigned the function of investigating, generalizing, and unifying the work of other public bodies. The chairman of the council of this department, who by the provision of this constitution is made official head of the nation, has no extra powers over the affairs of the nation, or even over those of his own department, over and above those pertaining to a chairman of an ordinary parliamentary assembly.

Again, the organization of the various Executive Councils is made to correspond with the nature of their respective functions; thus, the industrial departments, who have jurisdiction over thousands of employees, are elected by the same employees; the political departments, whose personnel is small, and whose work at the same time is of concern to the

entire nation, are appointed by Parliament; while the Departments of Justice and of the Chief Executive, who by the provisions of this constitution are invested with special functions of a scope not possessed by any other executive department, are made to a certain extent representative of the entire people in their make-up.

CHAPTER X

RELIEVING A CRAMPED CURRENCY

As long as the gold standard is maintained by the other nations of the civilized world, gold and gold certificates (i. e., paper money convertible into gold, which is kept in reserve for the purpose) shall constitute the basic currency of the country.

Should the administration in the course of its industrial activities experience a money stringency at a time when the national reserves are stocked with exchangeable products and materials, it may issue, in addition to the above, an auxiliary currency which shall be convertible to the bearer on demand into any and all of the mineral, agricultural, or manufactured articles (other than gold), which are kept at the time in the national reserves for disposal to the public, as well as into any of the utilities or services furnished at the time by the State (such as facilities of transportation, communication, etc.), and at prices at which the same articles or services are bought and sold (at

the time of presentation) for gold currency of equal amount.

(Model Constitution, Article XV, Sections 1 and 2.)

MONEY, as such, has no use-value; even money that is coined of the precious metals has no use-value; thus, gold, as a metal, surely has its uses, but when passing from hand to hand in the form of stamped currency, it has no more use-value than paper money; since not one of a thousand persons holding gold coin has any idea of melting and making some ornament or article of value of the same. Even the one who entertains such an idea must first destroy the currency feature of the metal before he can make any article of use out of it.

What then is the use of money? It is valuable only as a medium of exchange. Thus, A has a horse which is of little or no use to him; it is winter and he needs a fur coat; his neighbor, B, has just such a coat which he is willing to dispose of. But how shall the exchange be made? The fur dealer, B, does not need a horse; those who need a horse have no fur coats to dispose of. Should A find a fur dealer who needs a horse, chances are that the two objects will not be of equal value; the one holding the more valuable object will naturally refuse to make an even exchange; the one holding the less valuable object will perhaps offer to throw in some additional article into the bargain, so as to make up for the discrepancy, but then it will, most likely, be found that the other fellow has no need of the latter. Here is where

money enters upon the scene and unravels the tangle to the satisfaction of all parties concerned. Money being wanted by everybody, the exchange is easily made. A sells his horse to a third party, C, who needs a horse; C has no fur coat to dispose of, but he has money which he gives to A in exchange for his horse. A goes with that money to the fur dealer, B, and offers it in exchange for a fur coat. Yesterday the fur dealer did not want to part with the coat in exchange for a horse because he did not need a horse—to-day, he will gladly exchange it for money, knowing that for money he can buy any article that he may desire. Again, if the horse and fur coat were not of equal value, it matters little, since money is divided and subdivided into minute denominations. A may give to B for his fur coat either a little more or a little less than he received for his horse, as the case may warrant.

Is it *naturally* imperative for money to be made of a substance that has value in itself? No. Just to the contrary; the intrinsic value of money (in case it has any) works as a disturbing factor in trade. To understand this point, suppose A loaned a thousand dollars in gold coin (or certificates representing the same) to B, the latter agreeing to repay the amount in the same coin ten years after date. When the date fixed upon arrived, B, true to his agreement, repaid the same amount in the same coin having the same weight and purity. And yet there was an important difference which caused considerable loss to A. It happened so that at the time the loan was made the

value of gold was high, so that a thousand dollars (in gold or certificates representing it) could buy a thousand bushels of wheat, or five thousand pounds of meat, or three thousand pounds of butter, etc. However, in the course of the ten years between the loan and its repayment, vast gold fields were discovered, or some new process for the extraction of gold invented, which reduced the value of gold by 20 per cent. A finds, consequently, at the time of the repayment of his loan, that the thousand dollars returned to him, although of the same weight and purity, is able to buy only 800 bushels of wheat, or 4000 pounds of meat, or 2400 pounds of butter. The lender of the money finds himself suffering loss, due to no fault or lack of commercial judgment on his part, but to a faulty system of currency which is unable to keep its own equilibrium.

Of course, when a certain substance is used almost exclusively as money, it acquires *ipse facto* a reputation for stability.

In reality, however, the stability of value ascribed even to gold (the more precious of the two metals generally coined into currency) is more apparent than real. Gold, like every other metal or substance, must inevitably fluctuate in value with any change in the relation between its supply and demand; and that this relation is frequently changed even in the case of the precious metals, no one at present denies; only when such a change happens, the fluctuation is ascribed by the superficial trading world to other commodities having value in use; the coin remaining

of the same size and appearance, it does not occur to the ordinary man of the street that any change has taken place in its relative value; he rather ascribes the trouble to the loaf of bread, in the price of which he sees an unmistakable change.

Thus, we have it on the authority of Prof. Jevons that between 1789 and 1809 gold fell in the ratio of 100 to 54, or 46 per cent; from 1809 to 1849, it grew again surprisingly in the ratio of 100 to 256, or by 145 per cent; after which time it fell again. (To do away with the danger to investors and money-lenders from such fluctuations, Prof. Jevons approves Scrope's scheme that a government commission be appointed whose function it shall be to compute the variation in the purchasing power of gold during the time intervening between the contraction and repayment of a debt and adjust the payment in each particular case accordingly; the sum repaid will thus be different from the sum loaned in amount, but equal in purchasing power. It goes without saying that such a scheme, if put in operation, would only throw the business world into greater confusion.)

Besides being liable to fluctuation, gold, or any substance of natural scarcity, when used as currency, cannot fail to cramp the nation's trade, owing to its non-elasticity. It is safe to say that one of the factors in business crises recurring so often, and creating so much havoc in modern times, is the arbitrarily fixed gold standard on which the present currency is almost universally based.

As necessity is bound to hew a way for itself, the

intrinsic currency whose inadequacy became more and more apparent with the rapid development of trade, came in time to be everywhere supplemented by paper currency having no intrinsic value in itself, but being based on the precious metals, the latter being kept in reserve somewhere in government vaults as deposits for the security of the former. When this also was found insufficient, exigencies of trade brought to light an additional system of commercial paper (checks, notes, drafts, bills of exchange, etc.) which are themselves redeemable in money (paper as well as intrinsic). We have thus the present awkward system of one paper currency (commercial paper) based on another paper currency (government bills), itself based on a substance (gold) which, though having intrinsic value as a metal, is legally not exchangeable in any other article of value (no government being at present bound to furnish any commodity on demand on presentation of coin; for this, the holder of coin must go to private parties, who in their turn are free to sell or withhold the commodities applied for, at will, or to put any price they may choose on the same). And with all this, the currency stringency has not been removed to any appreciable degree; for, after all, the entire superstructure which necessity built for itself rests on a foundation (gold) that is by nature too narrow.

To remedy this evil many schemes have been put forth by economists and legislators. Most of their suggested reforms, however, when reduced to simple terms, resolve themselves into nothing more substan-

tial than the old and now universally discredited theories of Currency Inflation. The advocates of the said schemes were in almost every case able to prove syllogistically that their pet theories are safe and sane, but when put to the test, **the people would have none of them,** and it is a stubborn fact that the right to decide as to what shall and what shall not be considered money, the people chose to reserve entirely to themselves. History has furnished ample proof that neither coercion nor fine-spun economic dialectics have ever permanently prevailed to force upon the people a medium of exchange that had no attraction for them.

In the matter of currency, at least, it is therefore much safer to discard philosophy and rather study facts. When this is done, it will be discovered that, with the exception of rare cases among primitive or semi-civilized tribes, the people have, as a rule, chosen substances possessing intrinsic value as media of exchange. We further find that by the natural process of experimentation and elimination the various races and nations of widely separated portions of the globe have converged upon a few of the rare metals, chiefly gold and silver, and established them, as if by direct agreement, to be the universally acceptable media of exchange. (That this choice was not arbitrary, but that the precious metals possess certain qualities and characteristics which make them preferable to all other substances of value as media of exchange, has already been pointed out by other economists and hence need no repetition.)

This universal adoption of the precious metals as money has already been an accomplished fact in the earliest periods of human civilization, of which we have a record, and it has remained so to the present day; it behooves us, therefore, to accept it for what it is worth. Whether intrinsic currency has operated for the weal or the woe of mankind, it has held the world in its grip for so many ages in the past, and there are no signs of its letting go of it in the near future.

This, however, does not mean that no Currency Reform is possible. The eye-specialist cannot remove a near-sighted eye and put a far-sighted one in its stead, but he can correct the fault of the near-sighted eye by a properly-fitted lens. This is exactly what the author attempts in his treatment of Currency; he does not propose to create a new system, but to secure beneficent results from a proper adjustment of the old one to the requirements of the new Industrial State.

Seeing that the use of the precious metals as money has a cramping effect upon modern industrial intercourse, and realizing that it is desirable for the success of the new industrial system to free the nation from the menace of private and foreign money manipulators, who at present have it in their power to "corner" the precious metals of the world and thus bring about panics and crises where none should naturally set in, the author applied himself to the task of finding a remedy to this double evil.

In the method, also, of solving the problem, the

author has not abandoned himself to fantastic speculations, but has confined himself entirely to the study of facts. "What has the business-world hitherto done to free itself from the evils naturally accompanying its currency system?" was the question he asked himself. The answer to this question he did not have to seek very far; **NECESSITY HAS CALLED THE CREDIT-SYSTEM INTO BEING.** The author has seized upon this fact and developed it and adapted it to the proportions of his newly-created gigantic business-concern — the Industrial State. The auxiliary currency herein proposed is nothing else than an extension of the credit-principle.

The credit system, as operating at present is naturally limited in scope and influence in proportion to the limitations of the private individuals or firms making use of it. It is a fact that the credit extended to a business-concern at the present day increases in arithmetical or even in geometrical ratio in proportion to its reputation for integrity and solvency. Were any business-firm to establish an unimpeachable reputation for integrity and to convince the world that its assets are at all times in excess of its liabilities, and that the said assets consist of standard merchandise having a steady market and being capable of *instant conversion,* its notes, even under present circumstances, would be almost as acceptable as government currency.

The new Industrial State, as outlined in this work, will be able to establish and prove all the above things in a way that could never be expected from any

private individual or firm, since its integrity and solvency will be guaranteed by the whole nation.

The author, however, has not been content to presume too much upon this abstract trustworthiness; he went a step further and provided that for every note of auxiliary currency put in circulation by the government there must be kept in the national reserves an amount of convertible assets of standard quality available to holders of the said currency on demand at current prices.

Note should also be taken that in one respect the auxiliary currency, provided in this work, is more conservative than the present gold certificates; for, while the present paper-money is secured by partial deposit (only part of the gold required to redeem the total amount of certificates in circulation being kept in the national treasury, it being assumed that all certificates will never be presented for redemption simultaneously and without warning), the auxiliary currency will be secured by the full equivalent of its face-value.

And should private vendors of commodities after all refuse to take the auxiliary currency at its face-value, or even at all, their action will not be capable of bringing about any appreciable debasement in the same, owing to the fact that, under the new economic system, most of the necessaries of life will be produced by the national government and will be available at all times to the holders of the said currency, and at prices which private vendors will hardly ever be able to rival. Bear in mind that in all past instances

when nominal currency was refused by the people, the currency in question was found to be inconvertible either in the precious metals or in any other articles or substances of value; were it certain that bread and milk and clothes, and a thousand other articles could be had from the government at usual prices in exchange for that currency, it is self-evident that no depreciation would take place, even if gold could not be had for the same.

It may, perhaps, be pointed out that as the commodities on which the auxiliary currency is based are of the ordinary kind which are subject to constant fluctuation in value, the new currency will not be stable enough. But those who are capable of advancing this kind of argument display an imperfect mastery of the subject in general. No system of currency is able to prevent ordinary commodities from fluctuating in price with the constant variation in the proportion between their respective supply and demand; gold currency has never accomplished it under the old régime. Furthermore, gold itself has been shown above to be far from stable in value, and no practical plan was yet discovered for correcting this fault, nor is any suggested here. What is sought by the creation of the new system of auxiliary currency is the deliverance of the nation from the bondage of a medium of exchange which is in itself naturally insufficient to go round. No more shall the business-world tremble and financial institutions crumble at the news of heavy exports of gold; it will soon be found that as it is possible for a single individual to exist,

pursue the ordinary vocations of life, and enjoy happiness without a single gold-piece in his pocket or money-till, so it is also possible for a nation. Again, should some eccentric individual prefer gold coin to nominal currency the government will be prepared to satisfy his desire by keeping an adequate reserve of the first-named currency always on hand.

Nor should fear be entertained that the introduction of the proposed auxiliary currency into the community will, for the time, create serious business disturbances, as just the reverse is probable, viz., that the innovation shall pass entirely unnoticed, owing to the fact that even at the present day intrinsic currency has in most countries dwindled down to a mere name or formula, all real business transactions being performed by means of paper-currency, checks, drafts, bills of exchange, bonds, etc., the herein advocated reform being an innovation only in so far as it will deliver the nation from the power of private or foreign money-lenders, and from usurious payments for the privilege of making use of their hoards.

It should also be remarked that the industrial system outlined in this work does not of itself necessitate any change in the currency-system, the reform being recommended solely on its own merits. Of course, as long as the present economic system endures, the auxiliary currency herein advocated cannot be adopted, since the government has at present no other commodities than gold in its treasury for the conversion of the same; hence, the provision that the new system shall not be inaugurated before the State shall have

become a controlling factor in the principal industries of the country.

Again, should it, after all, happen that the new system of auxiliary currency, when put into practice, shall prove entirely unworkable, there will be no harm done, as the government may, in time of money-stringency, go back to the old system of national loans. (See "The National Debt," Sec. 1.)

CHAPTER XI

WILL NATIONAL INDUSTRY INCREASE THE WEALTH OF THE NATION?

The rate of wages paid to employees in the national industries shall be such as to afford themselves and their families all the ordinary comforts of civilized life, while, at the same time, leaving the State unhampered in its competition with private industry. To give the matter a more definite form, the rule may safely be laid down that wages of labor shall never fall short of the point where the annual income of a single steady worker (male or female) shall be sufficient to support a family of ordinary size according to the standard of living prevailing at the time among a majority of the nation, nor shall it rise to a point where the cost-price of the completed national products shall exceed the selling-price of private products of the same kind and quality in the home markets.

(Model Constitution, Article XVI, Sec. 1.)

THE assumption that eight hours of daily labor, or even less (see Model Constitution, Article XVIII) will, under a system of national industry, yield employees an income sufficient to afford themselves and their families all the ordinary comforts of civilized life, is sure to be hotly contested. In fact, some "learned" champions of capitalistic industry have already decreed that the change from private to national industry will not at all increase (if it does not diminish) the productivity of the nation.

Were even this allegation well founded, the fact that national industry will tend to bring about greater equalization in the distribution of the gross amount of produce (which is not denied even by those who make the above assertion), is in itself sufficient to raise the wages of the underpaid to a much higher level than the present. This advantage, however, is but as dust in the balance when compared to the increase in the total wealth of the nation that is bound to result from the inauguration of the new system of industry.

(1) It is a well-established fact that the very nature of capitalistic industry involves a tremendous waste of labor, time and material by its anarchic system of competition, overlapping of industrial functions and operations, the employment of a host of middlemen, etc.; under national industry this will be eliminated, or, at least, reduced to a negligible quantity.

(2) At least a fifth of the annual produce of the country goes at present to a small number of idlers

in the form of rent, interest or profit—in the national industries this will either be added to wages of labor or deducted from the prices of commodities (which amounts to the same thing). Even to-day, should only two items, the cost of advertising and the profits of the idle investors be added to the wages of labor, the average income of all employed laborers would be more than sufficient to afford them the ordinary comforts of life according to the present standard.

(3) It has been shown elsewhere in this work that capitalistic industry thrives on scarcity or underproduction; that it fosters such a state and often creates it artificially—under a system of national industry a contrary state of affairs will constantly be aimed at.

(4) The number of persons at present unemployed, either by necessity or choice, amounts at the very lowest estimate to 25 per cent of the entire able-bodied population of the country. The cost of maintenance of this class (for one way or another it lives and consumes the produce of others' hands) which is at present borne entirely by those employed will, under the new system, be entirely eliminated or, at least, reduced to a minimum, and this cannot fail to swell the rate of general wages to a proportionate degree.

If any added proof were needed of the fallacy of the above allegation, it may be pointed out that the same capitalistic authorities who are so emphatic in their assertion that national industry will not increase the total wealth of the nation, are with the same breath asking that other hackneyed question: If you

give employment to all applicants, how are you going to dispose of the enormous quantities of produce that will be piled up in the national reserves over and above what the community can normally consume?

CHAPTER XII

UNEQUAL REMUNERATION FOR UNEQUAL WORK

In case a sufficient number of laborers cannot be secured for certain occupations by the ordinary method of enlistment, the department of employment may, with the sanction of Parliament, raise wages in these particular occupations to a degree which will create a sufficient inducement to laborers to enlist in the same, etc.

(Model Constitution. Article XVI, Sec. 2.)

BEAR in mind that under the new system inequality in the remuneration of the different kinds of labor, as provided in this section, will not entail injustice to some and special privileges to others, as is the case at present, since the choice of occupations is entirely optional. Those who wish to earn more (and are not particular as to the kind of work) will be at perfect liberty to enlist in the unattractive occupations where wages are higher; should there be a rush to such occupations for the sake of the higher wages, this very act will bring wages in the respective occupations pro-

portionally nearer to the general standard, which, in its turn, will automatically check the rush to a proportional degree (since even in unattractive occupations the government will endeavor to adjust wages to a point which will barely make up the necessary complement of operatives; as soon as an excessive rush will be felt to any occupation of that class, where wages are higher than the standard, it will be taken as proof that the rate of wages prevailing at the time in the respective occupation is higher than what is necessary to keep up its complement of operatives, whereupon the said rate will be reduced accordingly).

It should also be expected that in some industries which require labor of a skilled or expert nature, the rate of wages will always have to be higher than the standard, owing to the natural scarcity of such laborers.

CHAPTER XIII

WHAT CONSTITUTES ECONOMIC VALUE?

The exchange value of every commodity or utility produced by national industry shall be determined by the two elements "Cost of Production" and "Scarcity," and shall be subject to periodic changes and modifications in accordance with the above rule.

(Model Constitution, Article XVII, Sec. 1.)

So important a place is assigned to the theory of value in economics, that some authorities on the sub-

ject consider it the cornerstone of Political Economy. At the same time, the theory itself, as treated by old-school economists, is so complicated, controversial and confused, as to utterly bewilder the ordinary inquirer after truth.

The first question that presents itself to any student of the subject is, of course, what constitutes value? This was the basic Rock of Division in the economic science. Some said that in order to possess value, a thing must be capable of bringing some real benefit to mankind. Others maintained that anything which is desired by man, whether the same is beneficial or harmful to him, may be said to possess value. Still others (the Marx School) advanced the theory that Labor alone constitutes value, in other words, any commodity on which human labor was expended has value proportionate to the amount of labor so expended, no more and no less, etc., etc.

The votaries of every one of these theories were easily able to refute those of their opponents. Thus, to refute the opinion that Utility (real profit) constitutes value, it was only necessary to point to opium, tobacco or intoxicating liquors, which although almost universally conceded to be harmful to mankind, nevertheless command prices when placed on the market. To controvert the idea that Desirability (anything coveted by man, whether the same be beneficial or harmful to him) constitutes Value, it is only necessary to point to Friendship, Love, Esteem, etc., which are universally desired and yet cannot bring anything when placed on the market. That

Value is not due to Labor alone may be proven by the case of gems, rare things of art, etc., whose value is altogether disproportionate to the amount of labor expended on them.

To bring some order into this chaos, economists hit upon the idea of treating the different conceptions of Value just enumerated (as well as others that have not been above given) as different *kinds* of Value; to distinguish between which, they invented for them respectively a number of qualifying terms, such as Value in Use (anything desired by man), Natural Utility (Beneficial Value), Exchange Value, Market Value, Money Value (Price), Time Value (such as the value of turkeys in the Thanksgiving season), Place Value (such as the value of ammunition in a belligerent country), etc., etc.

As may well be imagined, this multiplicity of Values only served to make confusion worse confused.

What gave rise to this maze of complication and obscurity besetting a subject not naturally complex, was mainly confusion of terminology. Economists of the old school have failed to properly distinguish between *ordinary* and *economic* value. For example, the word "bit" has three meanings; the iron of a bridle; a morsel; a boring tool. Imagine now some simpleton reading a description of a bit as a boring tool, and interpreting it all the time to mean a bridle. Is anything else to be expected from such an interpretation but confusion and bewilderment? Old-school economists have treated the word "value" in a way similar to the above. In common parlance "value" is loosely

applied to a number of diverse qualities of things, such as utility, desirability, rarity, etc., etc.; in economic terminology, however, Value can denote one quality only, viz., EXCHANGEABILITY.

The science of economics deals only with transfers. A person may speak of life, love, friendship, esteem, etc., as being most valuable to him; but what has Economics to do with these? In the same way a person may have spent ten years of his life in trying to empty the Mississippi with a tin can; he may also have derived considerable satisfaction out of this self-imposed task; the exercise thus combines in itself both *labor* and *desirability;* but what has the science of Economics (which deals with wealth of nations) to do with it? One may, perhaps, charge that the examples cited are inadequate, inasmuch as the objects or services mentioned happen to be valuable only to one particular person; I shall therefore give another instance: The planet Earth in its entirety is surely *valuable* to *all* mankind, yet does any one think it proper to include the study of the movement of this planet in the science of economics? Why not? Because the science of economics deals only with transfers of goods by one human being (or set of human beings) to another human being (or set of human beings). The planet Earth is not transferable, consequently it is outside the domain of Political Economy.

It is thus clear that there is only *one kind of value* with which political economy can have any *direct* dealings, and that is, **EXCHANGE VALUE;** in

other words, if it is asked in economic terminology, has a given thing value? There is only one meaning to that question, viz., will any one give something in exchange for it?

Utility, Labor, and a host of other facts, conditions, properties of bodies, etc., may be used in Economics only as **explanatory causes of value**, i. e., when you start investigating as to *why* certain commodities, utilities or services have exchange value, you may find in the case of one thing that it is because it is capable to afford some benefit to man; in the case of a second, because it charms his eye; in the case of a third, because it brings some cherished memory to his mind, etc., etc. With any one of these things, *per se*, Political Economy has nothing to do; what is the nature of the benefit that the human body derives from eating meat, is the proper field of a physician's investigation; why does a Rembrandt charm the eye? should be answered by an art connoisseur; why do certain persons pay high prices for old coin? should be answered by a psychologist.

So far, however, we have only discovered the true definition of Value; but Science does not rest its labors on the discovery of a definition. The chief task of Economics in this field is to investigate and determine the laws which govern the relation to each other of the myriads of different things possessing value, as well as to explain the frequent changes and fluctuations in this relation. To do this, it becomes at once apparent that we must have a common measure or denominator which shall apply to all articles possess-

ing exchange-value. Such a measure is found ready provided in every community, and is universally known by the term **MONEY.**

When we apply this measure (money) to any given article possessing value in an endeavor to find out how much of it the article in question will bring when given in exchange, the result of such inquiry (whatever such result be) is known as the "Price" of the respective article; in other words, "money" answers the question, "What shall we measure value with?"—"Price" answers the question, "What is the measurement?" (after the measure—money—has been applied to a given article).

When we pursue our investigation further in an attempt to find out as to why equal quantities of two different commodities will bring different prices when brought to market for exchange; also why is there a constant fluctuation or change in the value of the various things when placed in relation or ratio to one another, we are at once brought face to face with the two components of Price, Cost of Production and Scarcity; the price of a piano is higher than that of a sewing machine because the cost of producing the former is greater than that of the latter; a diamond brings a higher price than both of these together (notwithstanding that the cost of its production may have been less than either of the two), because of its Scarcity; when a change takes place in the degree of either or both of the above factors, in any given commodity, the price of the same changes accordingly.

We have now arrived at a stage where we are en-

abled to give the reader a complete list of the ordinary economic terms relating to Value, together with their true definitions:

VALUE.—The quality of Exchangeability; any commodity, utility, or service, which is given and accepted in exchange for something else, has value.

MONEY.—The measure of relative Value, i. e., the medium by which the ratio of valuableness, or relation of articles of value to each other, may be measured and ascertained.

PRICE.—The expression in concrete terms or figures of the result of a particular application of the said measure (money) to a given article of value; in other words, when we say a thing has value, we mean, it is exchangeable for other things; when we quote a price, we express the measure of its exchangeability in words and figures.

WEALTH.—Commodities having value *when spoken of in the mass.*

UTILITY (ability to benefit the possessor).—One of the numerous circumstances (some of the others being rarity, beauty, antiquity, etc.) which give a thing value.

COST OF PRODUCTION, SCARCITY.—The two elements determining Price.

LABOR.—One of the items (generally the largest item) making up Cost of Production.

SUPPLY AND DEMAND.—The two elements determining the degree of Scarcity in a given commodity; in other words, the degree of Scarcity in any given commodity is proportionate to the shortage in the

supply of the same as compared with the demand for it.

To make the subject perfectly clear to the reader, it is necessary to make a few detailed additional remarks on the terms just defined.

VALUE, which in the economic sense means Exchangeability, is an abstract term denoting a property of certain objects. When we say "value received," we mean thereby that we received some object having value. The value of any given object can be measured only when placed in relation to some other object or objects; thus, if the price of meat has risen from 15c to 20c per pound, while no change has occurred in the price of the other object or objects offered in exchange for it, we may say that the value of meat has risen. Should there be a general increase or general decrease of an equal ratio in the supply of **ALL** objects having value, it may be said that a change has taken place in the **WEALTH** of the nation. (See the definition of Wealth above given), but not in Value, since in such cases the rate of exchangeability between the various objects remains the same. (Bear in mind that Money, as at present constituted, is in itself also an article having value, in case, therefore, the general increase or decrease just spoken of embraces gold also, and in the same ratio, there will be no change noticeable either in *value* or in *price,* while in case the said increase or decrease took place in the supply of all other objects *exclusive* of gold, the change will be noticeable in *price* (the ratio of exchange between general wealth and gold), but not in

value (the relation of commodities, exclusive of gold, to one another).

MONEY.—Some maintain that money as at present constituted cannot properly be spoken of as a measure of value because itself is not perfectly stable in value. (See pp. 230, 231.) Thus, they argue, if meat which sold at 15c per pound ten years ago, sells to-day at 20c per pound, it is no sign that the value of meat has risen, since the rise in price may be due to the fact that the value of gold (which constitutes money) has fallen. This argument, however, proves only that money as at present constituted cannot be taken as a reliable measure for all time and place, but in the same place and at the same given time, money will be found to perform the function of a measure of relative value without serious aberration. Thus, ten years ago, owing to a scarcity in gold, prices may have stood as follows: Meat, 10c per pound; wheat, 50c per bushel; butter, 20c per pound. To-day, owing to some circumstances which doubled the supply of gold during the last ten years, prices are quoted as follows: Meat, 20c per pound; wheat, $1.00 per bushel; butter, 40c per pound. It will be noticed that, notwithstanding the great change in the value of money (gold) itself, the *relative* value of commodities remained in this case exactly the same; also, that the medium used for measuring this said ratio in either of the above periods was nothing else than money.

PRICE is influenced by two factors, one positive—Cost of Production—and the other negative—Scarcity. The prices of most utilities represent both of these

factors, although nearly always in an unequal degree; thus, the major element in the price of wheat is Cost of Production, while in the price of gems, Scarcity is represented to a much greater degree. There are, however, some exchangeable utilities whose price represents only one of these factors; thus, the price of uncultivated land represents Scarcity alone (not a scarcity of the earth's surface, but scarcity of particular areas desired more than others for different reasons), while the price paid for liquid air represents nothing but the Cost of its production, since the quantity of air in the universe that may be turned into a liquid is practically unlimited. On the other hand, ordinary air or water has under ordinary circumstances no exchange value at all because neither Cost of Production nor Scarcity is represented in these to any degree.

N. B.—What is asserted here is, that anything capable of commanding a price must inevitably represent to a proportionate degree one or both of the two elements, Cost of Production and Scarcity; this, however, should not be taken as implying the converse, viz., that anything representing either or even both of these elements will necessarily command a price. Thus, a man picks up a pebble on the beach of a form peculiar to itself; it is, perhaps, safe to say, that there is no other pebble of exactly similar form anywhere in the world (as no two pebbles are made exactly alike), yet, in spite of its absolute scarcity, the finder cannot sell it at any price. Again, a photographer may buy a film, make an exposure, and then spoil his

picture in developing; his work thus positively represents Cost of Production, and yet is not capable of commanding any price. Technically, this is explainable by the fact that "money" and "price" are terms related only to things having exchange value—the pebble and the spoiled film having no such value (since no one desires them), are altogether outside the pale of economic consideration.

With the exception of cases of emergency treated in the article on Prices, the normal price of exchangeable commodities should never fall below cost of production, and never rise above the rate necessary to reduce demand to supply (in scarce commodities). Even in case a sudden reduction in the cost of producing a certain commodity becomes possible, owing to some new invention or discovery, the old price ought not to be reduced until the old supply on hand (that has been produced at the old cost of production) shall have been disposed of; otherwise it is obvious that the seller must suffer loss.

MARKET PRICE.—Under the present anarchic system of distribution, price is largely governed by the one element Scarcity, or as it is commonly spoken of, the state of supply and demand. Whenever the two parties to any proposed transaction are of the opinion that the market is "tight," the commodity bargained for will sell to a corresponding degree above its natural price, while if it is felt by them that the market is "overstocked," the selling price of the commodity in question will drop correspondingly with hardly any reference to its original cost. The scarcity may (un-

beknown to the parties in the deal) be only local or temporary; it may even be entirely imaginary, due to an ignorance of the true state of the market, but the result will be the same.

To a certain degree, however, speculation, "bargaining," competition of sellers and buyers and the skill of salesmanship (which has in our day attained the high state of a skilled profession requiring a college training) exert a modifying influence on market price.

COST OF PRODUCTION is made up of many items, such as labor (physical, mental, or administrative), waste of material, rent, interest, insurance, wear and tear of machinery and buildings, etc. Labor as an item of cost should be measured not only by the amount of labor entering directly into the making of the given article, but also by the amount of labor spent indirectly in the production of the various materials wasted in the making of the said given article. If you give the subject this broad interpretation, you will find that Marx is not far from the mark in maintaining that labor is the creator of all values (with the exception, of course, of those articles whose chief element of value is the other factor—Scarcity).

SCARCITY.—The degree of scarcity in any given commodity is always proportionate to the shortage in the supply of the same as compared with the demand for it; thus, the supply of a certain commodity may be very small in itself, but if the demand for it does not exceed the said supply, there is no scarcity in that commodity to any degree.

Scarcity, like cost of production, is influenced by a multiplicity of circumstances; thus, population, custom, religion, time, place, and a host of other facts and conditions which affect Demand or Supply, have a share in determining the degree of scarcity in the myriads of commodities that go to satisfy myriads of human wants and caprices. Sometimes a high cost of production, which lessens demand, is in itself sufficient to divert production from a given commodity, and thus create a scarcity in the supply of the same, while low cost of production will by the same process create Abundance.

DEMAND changes with time and place. Even at the same given time and place, things have not the same value to all the people. What use, for instance, has the average man for face powder; the average woman—for tobacco; the blind—for pictures, etc., etc. (Some commodities are sought merely because of their scarcity; in this category may be classed all sorts of curiosities, antiques, etc., and to a certain degree also the precious metals and stones,—the highest pleasure derived from their possession being the fact that it enables the holder to say: "I have what you have not." In such cases, Scarcity may be said to beget additional scarcity, since it has an effect of increasing the demand while the supply remains stationary.) These differences in tastes, conditions, and circumstances are, in fact, the elements which make up *the motive for exchange.* People constantly exchange things which they do not need for things which they do need. The thing with which the seller is willing

to part is to a proportionate degree desired by the buyer. It is, therefore evident that "in normal exchange there is mutual gain."

SUPPLY.—The supply of commodities made of materials not naturally scarce, is entirely dependent on the will of the producers. As has been shown elsewhere, however, it is the aim of capitalistic producers at the present time to create a scarcity even in these by artificial means. Owing, however, to numerous causes, they do not always succeed in this. In spite of all precautions, what is at present known as "over-production" sometimes takes place in certain industries, which ends in a proportionate "glut" in the market of the commodity or commodities affected. In the case of perishable commodities, or articles of changeable fashion, over-production becomes noticeable at once, and results in an immediate reduction of price, while in the case of durable and staple goods, the effect will not generally be a sudden reduction of prices, but a check to future production for a time. Sometimes capitalistic producers find it more to their interests in cases of over-abundance to destroy a portion of the respective supply so as to restore a state of scarcity in the same, while at others, they find it more expedient to withhold a portion of it from the market in order to secure the same result.

WEALTH.—Wealth is an aggregate of exchangeable commodities. At present, we have no measure (outside of actual stock-taking) by which any changes in the wealth of nations may be ascertained. A fall in general prices does not at present indicate increased

general wealth, as the phenomenon may be due to increased scarcity in gold (the substance which constitutes money). In the same way, a rise in prices may at present be due to an increase in the supply of gold.

UNDER NATIONAL INDUSTRY.—It is evident that the new system of industry, outlined in this work, must inevitably bring many changes in the economic conditions governing Value; among the more salient of such, the following deserve mention:

(1) Industrial organization on a national scale will afford the administration an almost accurate knowledge of the true relation between supply and demand in any given commodity, as well as a more perfect control of local markets. This cannot fail to greatly diminish, if not entirely do away with, the difference between *natural* and *market* price.

(2) The difference in prices resulting from a rise or fall in the value of gold may be expected to be considerably reduced owing to the introduction of the auxiliary currency into circulation.

(3) The factor of Scarcity, when present in any given commodity, is at present exploited by a small coterie of individuals for their own private gain; in other words, the rush of buyers to get hold of the rare article gives the holders of the same the opportunity to raise the price of the coveted commodity to the highest degree warranted by the degree of scarcity in the same. In the distribution of the national products under the new system, the profit resulting from scarce commodities will be enjoyed by

the people as a whole. Thus, in practice, scarce articles will command proportionately high prices under the new system as well as under the old, but the beneficiary will then be the people. In principle also, there is the same marked difference. Bear in mind that in the case of rare things, there are always some people who want them more than others. At present, the object of capitalistic producers is to find these people in order to be able to realize a profit for themselves. In the coming state, the administration will also be willing to gratify the desire of those people; at the same time, however, these will be made to indemnify the rest of the people for foregoing *their* desire to the same things (which, although weaker with them, is yet worth something). The surplus price of scarce commodities will thus represent an indemnity to the people.

(4) Another difference between the old and the new system of industry, relative to scarce commodities, will be found in the abolition of artificial scarcity, which is often created by the captains of capitalistic industry. (See p. 256.)

CHAPTER XIV

TAXATION

The entire revenue of the nation for the purpose above cited (maintaining the political or civil government of the State), shall be derived from one source only, viz., the rent of land to private parties for settle-

ment or industrial purposes. The total amount of such rent accruing to the nation during any given period shall be equal to the average national expenditure during the same period for the purposes above cited.

(Model Constitution, Article XXIII, Sec. 2.)

VIEWED superficially, the revenue system set forth in this work would seem to be identically the same as the well-known Single-Tax system elaborated by Henry George; in reality, however, there is a fundamental difference. Henry George devised his system not purely as a measure of revenue reform, but mainly as a means of putting an end to speculation in land, which, in his opinion, is at the root of all economic evils, and whose abolition would, according to him, "raise prices, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crimes, elevate morals and taste and intelligence, purify government, and carry civilization to yet nobler heights." To realize his ideal, he advocated the imposition of a tax on land and the adjustment of the same to a point which would "smoke out" all holders of idle lands, and make them relinquish their holdings voluntarily to the State. It is, perhaps, needless to add that the author does not believe Single-Tax (when unaccompanied by other and more essential economic reforms) capable of bringing about anything like the above results.

In this system, the land-tax is meant to be a source of revenue only, and as such, is to be fixed at a point which will barely cover the amount needed for the upkeep of the machinery of government. As to land speculation, in case that evil should continue to exist under the new system as under the old, the government is empowered to deal with it directly by legislative action.

The author, however, deems a few explanatory remarks necessary as to why land of all other things has been chosen as the most suitable subject of taxation.

The subjects of taxation, to use the generalization of the U. S. Supreme Court (foreign-held bond case, 15 Wallace), "are persons, property, and business"; in other words, a government wishing to raise a revenue for its maintenance, may impose a poll-tax on persons (regardless of property-ownership), or a tax on property (movable, immovable, or both), or on business (i. e., levying either on the privilege of doing business—a system in vogue in Russia—or on the income from business). "Whatever form taxation may assume, whether as duties, imposts, excises, or licenses, it must relate to one of these subjects."

As for the principles which should govern the choice between the above subjects, Adam Smith has promulgated the following four canons:

1. "The subjects of every State ought to contribute to the support of the government as nearly as possible in proportion to their respective abilities; that is,

in proportion to the revenue which they respectively enjoy under the protection of the State.

2. "The tax which each individual is bound to pay ought to be certain, and not arbitrary, the time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor and to every other person." (This is meant as a precaution against extortion by corrupt officials.)

3. "Every tax ought to be levied at the time and in the manner in which it is most likely to be convenient for the contributor to pay it." (In other words, the burden of it should rest as lightly as possible on the shoulders of the people.)

4. "Every tax ought to be so contrived as both to take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State." (In other words, the total of taxes should not exceed the total of revenue needed.)

To the above canons of Adam Smith should be added:

ELASTICITY, i. e., ability on the part of the government to increase or decrease the tax readily at any time and to any desired degree so as to adjust it to differences in the required revenue at different periods.

CERTAINTY (to the government), in other words, the tax must be such as could not be evaded or concealed. (The "certainty" of Adam Smith refers to the taxpayer, meaning to protect the latter from extortion by corrupt officials.) The total amount receivable must also be, as near as possible, ascertain-

able beforehand, so as to be able to adjust the tax as near as possible to the required revenue.

SIMPLICITY.—When a system of taxation is complicated, or when the revenue of a government is derived from a multiplicity of subjects, such as property, income, exports and imports duties, etc., the result will in many cases be double taxation; thus, where both property and mortgages are taxed separately, the same piece of property pays a double tax. Simplicity is also necessary to make the total amount of taxes receivable ascertainable beforehand.

EASE OF COLLECTION.—The machinery needed for tax-gathering should require the least official work.

Of the three subjects of taxation mentioned at the beginning of this article, only immovable property is capable of satisfying ALL the above requirements—a poll-tax is neither equitable nor certain; a tax on incomes or business or movable property is subject to evasion, deception, and official corruption, and cannot be carried out equitably without a system of espionage; a tax on the privilege of doing business, cannot fail to fetter business and hamper its development—as it has actually done in Russia where a system of that nature is in operation.

Under the new system of industry especially, based as it is on the fundamental truth that the ownership of land is primarily vested in the nation as a corporate body, nothing can be more equitable than that private parties holding portions of land for their own private use shall indemnify the community to a proportionate degree.

It may, perhaps, be objected that a tax on land, being a direct levy, does not meet with the canon of "convenience" (to the taxpayer) as well as indirect levies on articles of consumption (such as liquor, tobacco, etc.), which are generally paid by the manufacturers and are hardly noticed by the consumer; however, those who advance this argument forget that perhaps nine-tenths of the people do not at present own any real estate, and that under the new system also, large numbers will surely remain tenants either by choice or by force of circumstances; to them a land tax is clearly an indirect tax. As regards the class of land owners, there is a certain argument in favor of a direct tax which to a large extent offsets the disadvantage just mentioned, viz., that by meeting the tax collector face to face and experiencing the burden directly, the payer is likely to be spurred on to exert extra vigilance on his government with a view of curbing extravagance and corruption.

As to the argument that taxes ought to fall wholly or mainly on the rich, some defenders of the land system are prone to answer that land owners as a class *are* generally made up of the wealthier members of the community. This, however, is begging the question; for any tax on land owners is bound to fall in the end on the shoulders of the tenants. The true answer to the above argument is, first, that taxes, being a just payment for value received and no charity, should be borne by rich and poor in like proportion, and, secondly, that the present system was created for the very purpose of abolishing extreme poverty and

extreme wealth. Under the workings of the new system, the present "poor" (which in most cases are persons unable to secure a job) will be non-existent, while the mass of the workers (who will surely be much better off than they are now) will scorn to take charity under any guise for the upkeep of their government.

As to the ultimate effect of this new system of taxation on the people, a few simple explanations will suffice to convince the reader that it will entail no hardship or injustice to any class or portion of society.

(1) It is axiomatic in the science of taxation that any tax imposed on producers, or holders of service-yielding property, is in the last analysis borne equally by consumers or utilizers of the respective services. According to this rule, any tax imposed on land affects tenants in the same proportion as land owners; in other words, while the tax is collected by the government from land owners, it is in reality paid by all who have a fixed place of abode or business in the respective community, and in proportion to the benefit they derive from the same.

(2) The total of taxes collected from any citizen (when considered in proportion to the benefit rendered him in return for the same) cannot possibly exceed (more probably it will fall short of) the amount that is at present collected from him for the same purposes indirectly, and under various guises, from a multiplicity of subjects. Thus, a bachelor possessing no taxable property, and living from hand to mouth, at present flatters himself that the tax collecter cannot

reach him, but the truth is that he is as decidedly a taxpayer as his landlord. Whenever he pays for his lodging, or smokes a cigar, or buys some article of foreign make, he pays part of his share of taxation. Under the new system, he will pay his taxes on one occasion only, viz., when he pays for his lodging. Whether his total annual contribution will be less or more under the new system than what it is under the old, will depend entirely on the sphere of activity which his government will at the time embrace (for civil purposes). Barring extravagance and corruption, it may safely be assumed that for every increase in the public revenue (if increase there be) the citizens paying the same cannot fail to receive increased benefit.

CHAPTER XV

PRIVATE HOLDERS OF LAND MUST INDEMNIFY THE PEOPLE

All plots of ground occupied by private parties for private use, whether it be for the purpose of habitation, industry, or pleasure, must yield an annual plot-rent to the State.

(Model Constitution, Article XXIII, Sec. 4.)

THE land being the property of the nation as a corporate body, it follows as a logical consequence that any individual wishing to use a portion of the same for some private benefit or enjoyment should pay the

remaining members of the corporation (the people) for the privilege.

It may, perhaps, be argued that by taxing industrial areas worked by private parties, while similar areas used in the national industries are made exempt from all taxation, private industry is thereby rendered unable to compete successfully with national industry, in identical fields. To answer this argument, it is only necessary to remind the reader that there will be other and much greater obstructions in the way of private competition against national industry, e. g., the unlimited resources of the nation, the unprecedented efficiency likely to result from nation-wide organization, the elimination of profit, etc. It is not at all likely that a private manufacturer should be able to realize a profit where a much more efficient opponent is selling the identical products at cost; and where there is no prospect of profits there will surely be no private industry.

The field that will under the new system, by the operation of natural laws, be left to private industry, and that will be of mutual benefit to the parties engaging therein and to the rest of the nation, is where the government will be unwilling to enter or unable to hold its own. Thus, for instance, the government may perhaps never be willing to enter the theatrical field, or the retail butcher and baker and barber business; again, it may try the manufacture of steel rails, but owing to some secret process or other insuperable obstacle, the quality of its products may prove inferior to those of private industry. In all such cases private

manufacturers will undoubtedly be able to exist and to realize a fair profit on their investment.

In any given field where private producers shall be able to so exist and continue their operations, there is no question that they shall also be able to recover the small item of land-tax on their respective plants out of the prices of the commodities, utilities, and services furnished by them respectively, so that no charge of discrimination could be brought either by or for them.

It may, perhaps, be objected that, in such cases, the consumer of the respective commodities, utilities, or services will be made to pay a double tax (one on the land used by him for residential purposes, and another on the land used for the manufacture of things or services produced by private industry). In this case, however, the seeming double tax is a mere illusion. A double tax means a double rate on a single benefit; in this case the benefits are various. A person may pay one tax-amount on the plot on which his house is built, another on the site of his factory, a third on the plot used for his garage, a fourth on the area on which the grapes used in his wine were grown (whether the vineyard yielding the said grapes is owned by himself or by some other private party, matters nothing), and yet be said to pay a single tax.

CHAPTER XVI

A REPRESENTATIVE JUDICIARY

The chief and general management of the entire machinery of justice shall be vested in a representative body, consisting of one member to every province, and chosen by the respective legislatures of the latter.

(Model Constitution, Article XXIX, Sec. 1.)

THE opponents of a representative judiciary and of the recall of judges base their opposition on the ground that Justice is absolute, immutable and universal, and as such, there is nothing representative in its nature and functions. Thus, they contend, in the election of a legislative officer the desideratum is that he carry out the will of his electors, whatever that will may happen to be at the time, while of a judicial officer, just the opposite is expected, viz., that he act according to the dictates of justice without regard to the clamor of majorities.

As stated before, those who advance this argument assume that justice is absolute, immutable, and universal. But this is not true. Justice, like any other human institution, is a reflection and expression of the social will. The conception and application of justice have been and are subject to constant change with time and place. Even at the same given time and place wide difference of opinion may be found to pre-

vail on questions touching the judiciary. Not even the treatment of such elemental offenses as murder and theft has ever received universal agreement. It is a far cry from the medieval judicial methods of extracting confession by torture, drawing and quartering as a form of legal execution, hanging thieves, etc., to the present methods of dealing with the same crimes. Even at the present day, and in any given civilized country, there is a wide division of opinion on the treatment of the said crimes; as an instance may be cited the growing movement for the abolition of capital punishment. As to minor questions touching legal enactment, procedure, and application, opinions are almost as numerous and divergent as the judicial matters themselves upon which they touch. Thus, the extension of the jury system, the abolition of juries, jury decisions by unanimous or majority vote, the abolition of injunctions, the retention and extension of the same, suspended sentences for first offenses, indeterminate sentences, determinate and unabridgable sentences, abolition of divorce, retention and facilitation of the same, the unwritten law as often applied in connection with marital unfaithfulness, etc., etc., all have their adherents and opponents even in one given block of a single city, and, furthermore, the adherents of one or the other of such opinions have a perfect right to seek the elevation to office of judicial officers holding the same opinions with themselves.

M. Naquet (not a radical but on the contrary a staunch defender of the old system) says: "Justice and injustice result no longer, so far as concerns the

modern philosopher, from some pretended decrees of some I know not what hypothetical providence, but from the general interest; everything being just which subserves the interests of society, and everything being unjust which tends to loosen the social bonds, and lead man back to primitive savagery."—Socialisme Collectiviste et Socialisme Liberal.

It follows from what has been said that Justice is, and by right ought to be representative in its nature and functions.

At the same time, however, it must be borne in mind that the choice of officers for the administration of justice is limited to a single learned profession, and only to the most eminent of that profession of whose fitness the average voter is hardly qualified to form an intelligent opinion. The average voter chooses an elective officer in a majority of cases because of the latter's oratorical powers; which, in fact, is an important asset for a representative of a legislative body, but is hardly a recommendation for a judicial officer.

In consideration of all the above facts, it is provided in this work that the elevation to office of the highest judicial body of the nation shall be made by the Provincial Legislatures, who are unquestionably more competent than the ordinary man of the street to select the most suitable judicial material available in the respective provinces.

At the same time, however, the Department of Justice is made to reflect the views of every section of the country by the provision that every province be

directly represented in it. Indirectly, the members of the Executive Council of Justice are also made responsible to the people of their respective constituencies by the fact that they are made removable at any time by the legislatures who appointed them. (See Model Constitution, Article XLII.)

CHAPTER XVII

FREE ATTORNEY'S SERVICES

Apart from judicial services, the Department of Justice shall also furnish every applicant with legal counsel or attorney's services free of charge and on demand.
(Model Constitution, Article XXIX, Sec. 4.)

IT will, perhaps, be objected that when lawyers will be paid a stipulated salary by the State like the rest of mortals, they will display less energy in the handling of their cases; but this, far from being a calamity, may really prove a boon to the cause of justice; since it is now almost universally recognized that the surcharged human batteries known as "lawyers" have more than anything else helped to befog the issues of justice and to divorce law from common sense.

CHAPTER XVIII

WHETHER OR NOT A COURT OF JUSTICE OR ANY OFFICIAL BODY SHALL BE CLOTHED WITH THE POWER OF PASSING UPON THE CONSTITUTIONALITY OF LEGISLATIVE ENACTMENTS.

The Executive Council of Justice shall have the power to annul any enactment of the National Parliament, or that of any other legislative or judicial body, whenever it shall find such enactment contrary to the letter or spirit of the constitution, or having a tendency to counteract any of its provisions. In case the finding of the council relates to one of the basic principles of this constitution (see First Principles, Section 1), its decision in the matter shall be final, while in other cases the enactment may be re-passed by a two-thirds majority vote of the people, whose decision shall in this case be final.

(Model Constitution, Article XXIX, Sec. 5.)

WHETHER or not a court of justice, or any other official body, shall be clothed with the power of passing upon the constitutionality of legislative enactments, and thus be able to annul such of the latter as it may deem unconstitutional has long been a subject to debate.

On the one hand, it is asserted by the opponents of such an arrangement: (1) that an official body clothed

with such power is, in fact, the ruler of the nation; the legislative branch of government consisting of the people's representatives being subordinate to its will; hence, a body clothed with such power is out of place in a democratic form of government; (2) in no other country, outside the United States, is any such power granted to a court of justice or to any other official body; (3) as there is no other power authorized to pass judgment on the rightfulness or reasonableness of supreme court decisions, it may happen that through bias or error in judgment, the meaning of certain constitutional provisions shall be twisted out of their evident intent so as to cover certain cases naturally unrelated to the same. This argument applies with special force to the United States Supreme Court, which is made up of a small number of men, and renders decisions by majority vote. As thus constituted, it may happen that the bias or false reasoning of a single man shall be sufficient to override the will of the people as expressed by their representatives; in fact, instances are not wanting where the annulment of certain legislative enactments was not warranted by the evident meaning of the constitutional provisions on which the decisions in question were based, or where the interpretation of a certain constitutional provision was dependent on the state of mind of one person; (4) as no action is taken by the United States Supreme Court on constitutional questions until the same are brought to its notice by actual litigation, it often happens that legislative or judicial enactments are annulled a considerable time after their

passage, thereby upsetting all business that has been done in the community on the erroneous assumption of the validity of the respective enactment.

On the other hand, the defenders of the United States Supreme Court system claim: (1) that it is imperative for the stability of the national constitution to have some supreme body, other than the National Parliament, clothed with authority to guard the constitution from violation; otherwise, constitutional provisions would become the play of party politics; (2) that the people's representatives, not necessarily being expert logicians or authorities on constitutional law, would be liable to legislate in opposition to some provisions of the constitution without being at all aware of the fact; (3) that even in the absence of a supreme body expressly clothed with power to interpret the constitution, legislative acts must in the end anyway come to the courts for interpretation, whenever, in the course of ordinary litigation, it shall happen that one of the parties to the suit shall invoke a constitutional right as against a legislative enactment; in the absence of a special body directly clothed with such function, constitutional interpretation, whenever such shall become necessary, will be left to the whim of individual judges, and will thus be subject to confusion and contradiction; (4) that the United States Supreme Court, thanks to the power vested in it, has actually preserved the federal constitution for a longer period than that recorded of any democratic constitution of modern times.

The author of this work, while decidedly in favor

of the existence of an official and competent body authorized to pass upon the constitutionality of legislative and judicial enactments, nevertheless recognizes the strength of the objections (above mentioned) to a constitutional tribunal patterned after the present form of the United States Supreme Court, and it is to meet these objections and to obviate them that the provisions of this constitution relating to the organization, powers and procedure of the Executive Council of Justice have been formed.

First of all, by making the supreme tribunal of the nation to a considerable degree representative in its nature, and subject to recall at any time, the contingency of its ever yielding to bias or intentional misinterpretation of the constitution is thereby greatly minimized. Should that tribunal ever resort to such perversion of justice without calling down upon its head the resentment of the people or of the provincial legislatures (its appointers), it cannot be taken otherwise than that the people themselves are inclined towards a change in the constitutional provision or provisions concerned, and in such a case no power in the nation is potent enough to uphold the latter under any circumstances.

Secondly, by enlarging the membership of the tribunal in question to an extent which gives it the aspect of a parliamentary body, and by providing that every one of its decisions must receive a two-thirds majority vote before it becomes valid (see Model Constitution, Article VI, Sec. 14), also by limiting the finality of its decisions to cases relating to the basic

principles of the constitution only, it will no more be possible to be said that the will of one or even of a handful of persons may prevail to thwart the will of the people or that of their representatives.

Thirdly, by the creation of a committee on laws, the provision that the said committee may consult the Executive Council of Justice on legislative measures previous to their enactment, and that the Executive Council of Justice may render decisions on constitutional questions at any time without waiting for actual litigation on the point involved, the disturbance at present resulting from annulments of legislative or judicial measures long after their enactment, is entirely done away with.

CHAPTER XIX

TRIAL BY COURT MARTIAL

Charges of treason or neglect of military duty shall, like ordinary cases, be tried by civil courts of justice.
(Model Constitution, Article XXIX, Sec. 20.)

"TRIAL by court martial" is a self-contradictory term; for when "trial" is spoken of it is meant to imply a hearing and judgment by competent legal authorities and in accordance with accepted canons of justice—"trial by court martial" is nothing else than a farcical proceeding intended to cloak the horror of military execution, and, as such, is utterly unsuited to the spirit of this constitution.

CHAPTER XX

ON THE SELECTION OF JURIES

All juries must be composed of men whose ability, knowledge, occupation, or circumstances render them competent to judge of the merits of the particular case which they are called upon to try.

(Model Constitution, Article XXIX, Sec. 22:)

WHEN juries are expected to be swayed, not by the righteousness of the cause in dispute, but by emotional addresses of hired elocutionists, the present system of choosing jurors in the order of greatest stupidity cannot be excelled. The author, however, dares to hope that in the new and revised code which shall be composed by the Executive Council of Justice under the new constitution, provision will be made to limit, or do away entirely with emotional appeals, and to hold attorneys down to cold facts; under such conditions, it goes without saying that the jurors will be expected to have a thorough comprehension of the case in dispute.

CHAPTER XXI

CONTEMPT OF COURT

Adverse criticism of any action or decision of any judge or judges shall be permissible; such offense as "contempt of court" being considered non-existent.

(Model Constitution, Article XXIX, Sec. 28.)

THE author of this work believes that to keep contemptible judges from contempt by threats of legal prosecution is about the same as to declare black sheep white by official proclamation. There is not a social station or official position, no matter how exalted, in which the occupant thereof would not profit by free criticism.

CHAPTER XXII

PRISON REFORM

The old-time prisons, with their health-destroying cells and manhood-degrading bars, shall be entirely abolished. Their place shall be taken by penal settlements or colonies similar in nature and area to free rural settlements or townships of equal population. Within the limits of said colonies, convicts shall have full liberty of movement and ordinary comforts of life according to the standard of living prevalent at the time among free laborers.

(Model Constitution, Article XXX, Sec. 1.)

The following excerpt from *The Evening Mail* (New York) March 24, 1916, affords a striking example of the workings of the present Prison System and of its effect on the human beings of whose destinies it is made an almost God-like arbiter:

Deformed, Not Reformed, by 23 Years Behind State Bars

Ed. Hamilton, No. 61,619, Who Has Been Free Only 15 of His 38 Years, Faces World Again with Body Shattered by Beatings and Drugs—Is There Work That He Can Do!

By ZOE BECKLEY

This is not a pretty story. It is about No. 61,619, just out of Sing Sing. Ed Hamilton is his other name. He is thirty-eight years old and has spent twenty-three of them behind bars, being "reformed." Hamilton cannot get work because the state's reforming process was so thorough that he is deformed for life. His body has been shattered by beatings and drugs. His arms and hands are stretched clear out at the joints from being hanged by handcuffs from a ring in the ceiling. He has been offered a few jobs at hard, manual labor, but when he explains that he cannot hold a pick or wield a shovel the prospective employers say, "Sorry, but we are offering the job to a man, not a cripple." Will the state, having rendered Hamilton incapable of earning a living, suggest what had best be done with him?

Hamilton's story is so weird that you probably will not believe it, anyhow, so maybe you'd better read no further. If you wish, however, to compare the old methods of ref-

ormation by deformation with those which a more humane age is trying to put into operation, here is your chance.

How Eddie Got His Start

The Hamiltons lived in Port Chester. One summer evening Ed, aged nine, went out with the fellows to have some fun. "You don't dast t'row a rock t'ru a winder," mocked a lad, handing Edward a stone. Edward "made good." The window contained an assortment of 10-cent spectacles. The boys grabbed a few and ran.

Eddie put his pair on, and did a few monkey-shines to make his mother laugh. But she didn't laugh. Instead, she put on her rusty shawl and bonnet and yanked Eddie to the victimized storekeeper.

He wrathfully refused to let her pay in instalments for the damage. He had Eddie arrested. The handcuffing began right there, for the judge said Eddie was a bad, dangerous boy and that if his mother didn't shut up and stop making a scene he'd send her to the workhouse as well as give Eddie a term in the House of Refuge (save the name —refuge from what, the mother's pleas to let her deal with Eddie?)

Eddie spent three years there on Randall's island, working on a stocking machine, sleeping in a cell, being caned because he couldn't make stockings fast enough, being punished for fainting, being starved, frozen, beaten, kicked and "solitaired" for trying to escape by swimming the river.

Out and Then Back

"When I went into the refuge," says Hamilton, "I was an innocent boy, mischievous but decent. When I came out, my own father and mother looked upon me as a wild animal. I think my heart and soul was sick, and the good just leaked out of me. Anyhow, I was soon sent back across the river. They gave me two years this time. I tried to

kill myself and cursed the person that saved me. When I came out I was nearly fifteen. My father had died.

"I got work in a factory at $3 a week, and my mother, two small brothers and myself lived off it—rather starved on it. The rent was $4 a month and we got behind. Nobody we knew could help us; they was all too poor.

"A boy I knew told me about a cracker delivery wagon that was stored in a barn, and that I could snake a couple of boxes out for the kids to eat. I did it. He said if I'd come to a place with him I could get away without the cops seeing me. He ran me right into the cops. He was their stool pigeon. So I was arrested again. This time I was sent to Elmira Reformatory for a year to five years.

Worked Until He Fainted

"That's where I got these hands of mine! It was in Brockway's time, and they had the contract labor system. I was worked so hard I kept fainting at the bench. Each time I came out of it, I was hung up by the wrists on a cell door from 6 in the morning till 9 at night, ten days at a time. The last time was for thirty days straight, and my mind was leaving me fast.

"Once I was walking in line and like a shot I fell on the ground. When I woke up I was in a cell chained hand and foot, and wet all over from the water they had thrown on me. I was kicked black and blue from head to foot to cure me.' I was later made to walk for hours each day carrying a 50-lb. iron weight, dropping it and picking it up for 'exercise.'

"I was given just enough food to keep me alive. I was 'ice-bathed' till I lost consciousness, then taken in a dying condition to the hospital. I broke twenty pairs of handcuffs one day in a mad rage brought on from overdoses of drugs. I don't know how I lived through the punishment I got for that. Anyhow my mind went batty and Brockway had me sent for two-and-a-half years to Matteawan.

Matteawan Unprintable

"I won't try to describe the happenings there. You couldn't print it. Two of the men who mistreated us have since been shot dead by fellows they ruined, and I'm glad, for they sent many a poor boy to his grave."

And so it goes. Pretty tale, isn't it? Is it a matter of wonder that when Hamilton got out of Matteawan his mind was not precisely attuned to the higher aspects of thought and action? He stole some clothes, I believe, and got his first taste of Sing Sing. He was quite an old offender, you see, and full of criminal tendencies! Heaven knows, he ought to have been by this time.

After his three-year bit was done, Hamilton saw a little sunshine and freedom by knocking about foreign shores.

But he slipped up again, and took another suit of clothes that didn't belong to him. This time he got nearly five years. Another slip, and four years more. Tom Osborne, finding No. 61,619 couldn't even do prison work regularly because of his poor broken body, and the tricks his nerves and circulation played on him, gave him extra blankets, decent food and the first "helpful line of talk" he had known since he was nine and his mother told him he must be a good boy.

He Blames the State

"And listen, lady, I'm telling you this straight"—concludes Ed Hamilton, state made lawbreaker, ex-convict and cripple, "if I had been given back to my mother in the first case I'd have a clean record to-day. I ain't naturally bad. I was always willing to work. But—believe me—each time a cell door closed on me it made me worse. The very soul inside me was bled out, leaving me a wreck, to drift at the mercy of a thirsty police system into one factory after another of crime and degeneration."

CHAPTER XXIII

NATIONAL CONTROL OF PROFESSIONAL AND TECHNICAL EDUCATION

The Department of Education shall establish and maintain a sufficient number of technical schools, colleges and universities at equidistant points throughout the land for the purpose of spreading technical and academic knowledge among the people.

(Model Constitution, Article XXXI, Sec. 1.)

TOWARD the beginning of the present century, Capitalism began to see the possibility of strengthening its position by enlisting the institutions of higher learning in its defense. This was easily accomplished by means of the shower of golden eagles at its command. During the years succeeding, there was a brisk rivalry between American money-kings for the honor of becoming the patron saints of the various colleges and universities of their country. Professorships, clinics, libraries, stadiums, and lump sums of hard cash were showered upon the latter lavishly, apparently for no other purpose than to promote the cause of higher learning and research.

Soon, however, the seed of that golden shower began to show its sprouts above ground. Professors known to favor social or economic reforms were gently but firmly pushed out of their chairs, and the new ones placed in their positions were such as have proven themselves adamant to the allurements of the New

Thought. Text-books that were published lately by professors of those favored schools breathe unmistakably the chill breath of reaction. Students who happened to evince signs of having been inoculated with the virus of reform were frowned upon, and in many cases robbed of deserved honors, or on some pretext even summarily dismissed. The auditoriums and cathedras of the respective institutions were opened wide to propagators of reaction, and tightly closed against any rejoinder by advocates of reform.

As the graduates of these institutions of higher learning are destined to be the leaders of public opinion in their respective spheres, the benefit accruing to the forces of reaction and the corresponding danger resulting to the case of reform from the subtle potion administered to them while preparing for their respective careers, may well be understood without lengthy explanations.

Aside from corrupt influences from above, some institutions of professional learning have lent themselves also to corrupt practices from below. It is an open secret that thousands of incompetent physicians and lawyers are turned out yearly in this country alone; some so-called colleges and universities have even been discovered selling diplomas to all who are willing to pay the price—which, by the way, was not too high either.

It is in consideration of the above facts that the author of this work has become convinced that it is unsafe to leave the institutions of higher and professional learning altogether in private hands.

CHAPTER XXIV

OF THE RIGHT OF PROPERTY IN IDEAS

Any person, whether a State employee or a private citizen, who shall make a new discovery in any branch of human research, whether the same be moral, such as philosophy or ethics, or material, such as geographic exploration, chemistry, etc., or who shall devise some new invention or improvement whereby the operation of some industry or industries may be facilitated, or who shall discover some original plans whereby the civil or industrial administration of public affairs may be facilitated, or who shall make some contribution of importance to science, art, literature, etc., shall be entitled to a bonus from the State according to the importance of his respective contribution. . . .

An originator shall have no power to keep any discovery or improvement from public use after it has once been submitted to the Department of Improvement, or divulged to any human being, irrespective of what the action of the department has been or may be in the matter. . . .

No royalties shall be allowed originators; all bonuses consisting of one cash payment made by the State at the time of allowance.

(Model Constitution, Article XXXIII, Secs. 1, 3 and 6.)

THE practice of rewarding inventors is unquestionably a desirable expedient for the purpose of stimulating improvement, but when such reward assumes the form of an exclusive monopoly of the article invented (or of the manufacture of the same, as the case may be), it is both unjust and inexpedient.

First of all it should be clearly understood that the so-called "right of property in ideas" is (at least in modern times) not really a right but an expedient; since the originality of almost all modern inventions is not absolute but relative. The great majority of modern inventions and discoveries had the ideas, theories and experiments of others as a basis. In fact, no important mechanism has ever been conceived, elaborated and perfected by one mind. From the Aeolipile, described by Hero (130 B. C.), to the water-raising engine patented by Savory in 1698, hundreds of minds have been active in the application of steam power. Again in the interval between Savory's engine and Watt's improved double-action machine, men like Papin, Desaguliers, Heautefuille, Newcome, Cawley, Potter, Beighton, Smeaton, and others have laid the foundation and furnished the material which Watt has put into his machine; but who is universally credited with the invention of the steam engine? Watt, of course. In the same way, Gray, Wheeler, Lomond, Reiser, Don Sylva Cavallo Ronalds, Laplace, Ampere, Webber, Clark, Steinheil and a host of others have racked their brains on the development of Telegraphy; a certain Mr. Morse, however, having had the theories and labors of these men at his dis-

posal, happened to put the finishing touches to the apparatus, and thereby reaped the entire reward and fame.

Even in the case of the small number of inventors and discoverers of whom it may be said with some shade of plausibility that they have not been assisted by others in their contributions to human progress, it is evident that nature, in limiting the sources of many of the more important things necessary to satisfy human needs, has not intended the same to be monopolized by their first discoverers to the exclusion of all others; otherwise a few of the human species would, in the ordinary course of events, come into possession of the said natural resources or indispensable utilities, and thus be able to effect the extermination of the rest of mankind. This applies with equal force to the commodities not limited in their nature, whenever some external force or authority attempts to restrict the right to the production of the same to a small number of persons. Bear in mind that no right is to be granted to one individual where such grant would block the way for others to enjoy the same privilege at the same, or at some future time. This principle is set at nought by the patent laws of all countries at the present time. When the government grants John Smith the sole rights to the manufacture of a certain utility for a number of years, on the ground that he was the first discoverer of the same, it is surely not blind to the fact that were it not for the said Mr. Smith, the same discovery would in all probability be made at some time during that period

by some Jones or Peabody; indeed, it happens very often that a certain discovery is made simultaneously by a number of persons so that the patent authorities or the courts have great difficulty in establishing the right of priority. By granting first inventors or discoverers the sole right to the enjoyment of the objects of their discovery for a number of years, the government deprives the rest of the community of equal opportunity.

From a practical standpoint, it is now universally admitted by economists that the patent system, more than anything else, has contributed toward the unprecedented growth and power of monopoly and special privilege. The patent office, more than any other public institution, may justly be accused of hampering trade and restricting competition. Furthermore, experience has amply shown that this protection of the so-called "right of property in ideas" has never been of much practical utility to the originators in whose name it is invoked. In the great majority of cases, the benefit resulting from the said protection is being enjoyed by the patent attorneys and capitalistic investors. When it comes to turning the production of their brain into hard cash, our prodigies of genius are in most cases outgeneralled by shrewd traders, so that it may truly be said that our patent laws help to create new monopolies for persons who have never invented or discovered anything but money-making schemes.

It must, however, be admitted (as has been pointed out before) that the principle of rewarding inventors

and discoverers is in itself of undoubted value, inasmuch as it creates an impulse to improvement in all fields of human activity. The glowing hopes of sudden wealth and prominence which the patent office holds out to men of an inventive turn of mind have in the past brought down showers of new ideas in all branches of science and industry. True, the bulk of them, being originated by unscientific minds, proves useless for practical purposes, yet among a thousand patent fountain pens one will surely be found that will actually write for some time without dipping, and among a multitude of new ideas in car-fenders one is likely to be found which will let off a poor wretch coming in its way with only a pair of broken legs, instead of dashing out his brains.

To preserve this concrete benefit of the patent laws, the provisions made in this work will be found entirely adequate. In fact, with the exception of "perpetual motion" cranks, inventors and discoverers will find their interests guarded much more carefully by the provisions of this constitution than by any patent laws that were hitherto devised for their benefit in any country.

Furthermore, the system of State bonuses set forth in this work covers a much wider field than that usually covered by the old patent laws. Thus, contributions to science, art, or literature, and improvements in the administration or management of public affairs, if found to be original and meritorious, are included in the list of improvements entitling their originators to public reward; no patent laws extant

in any country ever granted official recognition to such services.

CHAPTER XXV

MILITARY PREPAREDNESS FOR DEFENSE ONLY

All disputes arising between the home administration and that of some foreign country shall be settled by arbitration if possible; in case, however, no such settlement is possible, and Parliament sees fit to resort to arms for the purpose of gaining the point in dispute, or in case it becomes clear that the opposing nation or nations will go to war if the point in dispute is not yielded, the matter must, without delay, be submitted to a popular vote of all the citizens, male and female, the result of which shall be final and binding. Only in cases of great urgency, such as actual invasion of the country by a foreign power, rebellious uprisings, etc., shall Parliament be justified in engaging in hostilities on its own initiative.

(Model Constitution, Article XXXIV, Sec. 1.)

WAR is the accursed heritage left us by our primitive ancestors. The war-hyena is not satisfied with lapping human blood periodically on the field of battle; it also saps the strength of nations in the intervals between wars by forcing them to make stupendous military preparations and to constantly keep vast bodies of men in enforced idleness.

Everybody condemns war, yet war is always possible and imminent.

Can Militarism (preparation for war) be abolished while war remains within the range of possibility? The author thinks that it cannot.

Can war be taken out of the range of possibility by a "Federation of the World and a Parliament of Man," or by an international court of arbitration backed by an international army to enforce its decrees? The author deems the voluntary relinquishment by individual nations of the power to make war and peace, and the unconditional transference of the same to any sort of international organization, as unlikely to take place at least for a considerable time to come. Should, however, the unexpected come to pass, so that military preparation at home shall become entirely unnecessary, the Industrial State, whose mission is peace, will surely be among the very first to subscribe to the new arrangements.

While, however, force remains the basis of international relations in the last resort, the Industrial State shall, by no means, endanger its existence by laying itself open to attack from without; especially so in the light of historical experience that any movement for the extension of popular liberties always resulted in organized attack from without by the international forces of reaction.

On the other hand, however, sight shall not be lost of the evils resulting from constant military preparation as it is carried on by most European countries to-day.

(1) The crippling of industry by diverting from it vast numbers of young men and employing them for years in unproductive occupations.

(2) The terrific cost of maintaining vast standing armies and of fitting them out with the latest military machines and materials. The present annual cost to any one of the European nations of keeping up its standing army and navy is amply sufficient to organize national industry and put an end to unemployment and want in the respective country.

(3) The fruitless suffering and curtailment of individual liberty incident to years of service in the ranks.

(4) It is a well-known fact that preparation for war tends towards bringing on war (by the chafing of the standing armies under the monotony and restraint of inaction, and the yearning of their officers for glory and promotion; also by the desire of the people to see some results of the terrific burden borne by them for years without any apparent benefit, and by the secret agitation of munition manufacturers who see in war a source of great financial gain).

The problem, therefore, is to create an efficient military machine without incurring any of the above evils. The author has endeavored to solve that problem in a manner consistent with the spirit of the Model Constitution as a whole.

By the creation of a national militia whose members shall not be deprived of the ordinary individual liberties or handicapped by extra obligations, it is expected that enrollment in the same shall be sponta-

neous and on a very large scale, thus creating a free nation trained in arms such as the world has never seen before. In case of invasion by a foreign foe, when service is made compulsory upon all able-bodied men, a nation with such military training would be almost invincible.

By providing that no citizen be permitted to give more than three months of any given year and no more than an aggregate of two years to military training, the burden is lifted from the shoulders of both, the persons in training and the public at large; also the abnormal state of keeping hundreds of thousands of men in prolonged periods of industrial idleness is entirely done away with.

By doing away with Militarism as a profession (outside of the small standing army whose main function in time of peace will in all likelihood be police duty), and by taking the manufacture and trade of munitions out of private hands, that sort of martial agitation which is due to self-interest, is killed at the root.

By taking away from the administration the power to declare war without consulting the people (with the exception of cases of great urgency), and by providing that no involuntary service be exacted (except in cases of actual invasion or rebellion), the spectacle of a nation being stampeded into a war of aggression by a small but noisy minority of swashbucklers who themselves have no intention of going near a battlefield, will no more be witnessed, since those who vote for war will then have to fight that war if they wish to win it, while those who voted against it will be per-

fectly free to stay at home, if they so choose; under such conditions, the vote in favor of aggressive war is likely to be very light.

By prohibiting the annexation of foreign territory without the consent of the population thereof (see Model Constitution, Article XXXV, Section 1), the main motive for aggressive wars is taken away.

By prohibiting the export of munitions to belligerent foreign nations, another important cause of entanglement in foreign wars is removed.

CHAPTER XXVI

NO ANNEXATION OF TERRITORY WITHOUT THE CONSENT OF THE POPULATION THEREOF.

No territory shall be permanently annexed to the home country without the approval of a popular majority vote, both at home and in the territory about to be annexed.

(Model Constitution, Article XXXV, Sec. 1.)

THE longing on the part of small boys to be big is caused by their own bitter experience at the hands of big boys. The desire to be a "great nation" (numerically or territorially) is in the same way caused by centuries of suffering on the part of small nations at the hands of their bigger and stronger neighbors. When Right instead of Might shall rule between na-

tions as between individuals, there will be no more reason for nations to yearn for bigness than there is at present for married people to yearn for big families.

Another reason for the desire of nations to cover as much territory and boast as numerous a population as possible, may be found in the arbitrary restrictions placed by governments (guided by old-school economics) on free movement and commerce between the citizens of unallied countries. When all men shall be allowed to settle wherever they please; buy and sell whatever they please, and at any price they please, and export and import whatever they please without paying tribute to or obtaining permission from anybody, a small nation will no more deplore its smallness than a small family does to-day.

However, as the millenium is yet quite a long way off, the advantage of being a great nation, both from an industrial as well as from a military point of view, is indubitable. As long as the present international relations remain unchanged, a gain in territory or population will justly be hailed by nations as a great national good, and a loss in the same as a corresponding calamity.

However, a national good, like a private gain, must not be won by the coercion of others; hence the provision in this constitution that no territory shall be permanently annexed without the consent of the population thereof.

Once, however, such territory has been legally and equitably annexed (and providing that the same territory is contiguous upon the home country and its

population is homogeneous with the population of the latter), it is in accordance with both justice and equity that the union shall not be easily dissolvable; since the improvements that may have been incorporated by national action or influence in the annexed territory subsequent to its annexation is not easily measurable; nor is it in many cases separable from the same.

Cases have, however, occurred where the annexation of new territory has proven to be a drag and a perpetual source of danger to the country making it; this was especially the case where the territory in question was disconnected from or inaccessible to the mother country, or in case the population inhabiting the same was of a race unallied to the population of the mother country; in all such cases, the conditions governing annexation are in this constitution made more onerous, and the severance of the alliance (if entered into) easier of accomplishment.

That the ties between allied countries may possibly be severed without detriment to either of the parties concerned, was proven by the dissolution between Sweden and Norway in 1905.

Opportunity is also given in this constitution for "trial alliances" contracted for a stated term of years which, whether ending in permanent union or in absolute divorce, cannot possibly harm either of the contracting parties, but may to the contrary serve as an eye-opener.

CHAPTER XXVII

LET THE PEOPLE RULE

(See Model Constitution, Articles XXXVIII and XLII.)

GIVEN even the most perfect form of representative government, if it is not accompanied by the right of the Initiative, Referendum, and Recall, the people do not rule—they only change their masters periodically, and this, when weighed together with the Spoils System and the periodic business disturbances which the old electoral system called into existence, is of extremely doubtful advantage.

The citizens of the so-called democratic countries have less to say in the governance of the same than the small stock-holders of a big stock company have in the management of their concern. The great majority of laws placed on the statute books do not embody what the people wanted, but what various powerful self-seeking bodies desired. In the United States such weighty matters as compulsory military service at the call of the president or military training in the public schools (in some states) have been passed (1916) without as much as a thought of consulting the people.

Again, the president and a man of his personal choice are conducting all diplomatic negotiations with foreign governments—sometimes skillfully and sometimes blunderingly; in his notes he invariably says the American people demands this or opposes that, but in truth he is only speaking his own mind and expressing his own prejudices. Sometimes he leads his country straight into the jaws of war, and then, when the spark has already been applied to the powder-barrel, he comes blandly before Congress (dominated generally by a safe majority of his own party), and asks its endorsement of "his policy," which, in the face of the then state of affairs, can hardly be denied him without playing into the hands of the enemy (which he had created). Now, if a certain reasonable percentage of the people could legally force a Referendum, the conflagration would most likely have been arrested before it reached a dangerous stage.

The same is also true of the Initiative. There are certain momentous questions such as National Industry, Woman Suffrage, the abolition of the Injunction, Child-labor, etc., in regard to which the people are anxious and certainly entitled to express an opinion, but this cannot be done without leave of their rulers (facetiously termed "public servants"). Or take another case, there is a political party in the United States which at the present time is entitled to from twenty-five to thirty representatives in Congress, but, thanks to an unjust electoral system, it is left almost entirely without representation. That party demands some system of Proportional Representation,

but, naturally, the representatives of the great parties in power cannot be expected to grant such demand which would weaken their own power. If the question were placed in the hands of the people, the latter might perhaps be magnanimous enough to give the minority a square deal—but, alas, the minority has no legitimate means of bringing the question before the people for decision; they have not even the power to initiate legislation in their own Congress.

In Europe (most countries of which are termed "Democratic" or "Constitutional" in school books), a handful of persons have plunged their respective peoples into a saturnalia of blood such as the world has never seen, and before the latter even fully realized what struck them. During the progress of that war, the political blatherskites (called in the newspapers "Statesmen") who sent their people to slaughter while themselves stayed home, trampled under foot all the hard-won liberties of the people and reverted to ancient despotism, all the time claiming hypocritically that they are only carrying out the will of the people. In the same way they also rigorously put down all efforts at peace and screamed as loud as they could that their respective peoples are determined to have victory or death without at any time having dreamed of actually putting the question before the latter. In one instance the politicians of one of the belligerent countries (Australia) prated so much of patriotism and of the people's anxiety to kill or die that they actually brought themselves to believe in the cant which they were preaching so that they dared place the question of

compulsory military service to a vote of the people—the result was, of course, a decisive defeat.

All of which goes to prove that the people cannot be said to rule and that their liberties are not secure if they have not the right of the Initiative and Referendum guaranteed to them.

The same may also be said of the right of Recall. A business-man who has signed away his right to discharge his manager when the latter becomes a "mismanager" has at the same time virtually signed away his business. A representative who proves himself incompetent or who, for reasons best known to himself, chooses to serve the people's despoilers rather than the people who chose him, becomes more dangerous with every day he is allowed to remain in office. A bad judge appointed or elected for life or for a long term of years, as the case may be, and who cannot be removed by the people whom he is supposed to serve, is most likely to degenerate into a second "Ivan The Terrible." History has furnished ample proof of this assertion.

On the other hand, the Recall furnishes the possibility of leaving deserving officials in office for long terms (see Model Constitution, Article XLII, Sec. 1), and thus affording the community the benefit of experienced service—for with the Recall always at hand the danger of abuse at present attending long-term offices is obviously removed.

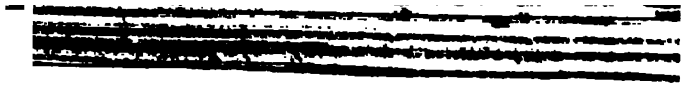
Of the objections that are generally advanced against the reforms in question, two are worthy of mention: (1) That the mass of the people is not as

competent to judge of weighty questions as the chosen few who are generally expected to be of a higher order of intelligence than their electors and who, while in office, are thought to give all their time and thought to public affairs. (2) That the application of the said reforms would involve a heavy expenditure of public money and the people's time.

Now, the first of these contentions reminds one of a man who, having time and again been run into the ditch by his hired chauffeurs, nevertheless stubbornly refuses to drive his own machine for fear he may run into a ditch. Shall a people who for generations has been the victim of blunderings and plunderings by professional administrators in its pay be afraid to take the reins of government in its own hands for fear of possible blunders?

As to the second of the above-mentioned objections, it should be considered that one year's waste caused by official corruption or one war caused by official blundering is sufficient to cover twenty years' cost of the Initiative, Referendum, and Recall. It may also be expected that when the reform in question shall have been effected and firmly established ways and means will be found whereby the operation of the same shall be rendered much less expensive and time-consuming than at present supposed.

THE END.



INDEX

Agriculture, 73, 74; appropriation of land by private parties, 103–105.
Andrea, 218.
Appointment, 171.

Bebel, August, 203.
Bentham, 191, 206.
Buckle, 207.
Bureaus and Offices, 55, 168.

Census, 156.
Chief Executive, 154–157 power of investigation, 154, 155; power of Initiative and Referendum, 165.
Citizenship, 37–39; naturalization of adults and minor children, 37; no discrimination, 37; rights of non-citizens, 37, 38; citizenship can never be revoked, 38; rights of citizens settled or travelling abroad, 38, 39.
Commerce, see Trade.
Comte, Charles, 191.
Constitutional amendments, 28; comment on, 272–276.
Construction, 112, 113; for rent, 112; for sale, 113; for private industrial purposes, 113.
Cost of Production, definition of, 249, 254.
Currency, 80–83; comment on, 227–239; auxiliary currency, 80–82, 236–239; must be sanctioned by Parliament, 81; gold bullion, 81; function of currency, 228, 229; gold not absolutely stable in value, 230, 231; commercial paper, 232; credit system, 235.
Debt, national, 118–122; bonds, for what purpose issued, 118, 119; how repaid, 119, 120; the national wealth, 121.
Discovery, invention and improvement, 140–145; comment on, 285–290; bonuses, 141; no patents or royalties, 142; subsidies, 144; right of property in ideas, 285–290.
Distribution, 67–70.

Education, 135–138; comment on, 283, 284; technical schools and colleges, 135; common and high schools, 135; tuition and school material free, 135; compulsory, 136; private schools, 136; central control of, 137; university extension work, 138; object of all education, 138.
Elections, 169, 170; take place alternately, 49; secret ballot, 49; compulsory voting, 166; elective officers, 169, 170; qualifications for voting, 50, 185.
Eminent Domain, right of, 197–202; U. S. supreme court on, 198.
Employment, 32; how will the State be able to give employment to all applicants, 19–21; liberty to give up State employment, 33.
Equality, 35; of the sexes, 34; of opportunity, 195.
Executive, 51–57; comment on, 221–227; departments, 51, 52; councils, how raised to office, 52, 53; term of office,

54; chief executive, 54–56; quorum, 56; two-thirds majority, 56; chairman retains vote, 57; true functions of, 54, 221; in England, 222, 223; dictatorial powers in U. S., 224; in other countries, 225.

Flint, 208.
Free Trade, 211–213.

Hare, Thomas, 218.

Individual, rights of and claims upon the State, 32–36; comment on, 206–213; right to claim employment from the State, 32; may leave State service at will, 33; option of spending his earnings, 33; right to engage in profit-bearing industry, 34; no tariff on exports or imports, 34; right to own property, 34; social rights, 34; attempt to suppress liberties cause for impeachment, 180.
Initiative and Referendum, 164–167; right of provincial legislatures and executive councils to initiate legislation, 165; right of the chief executive, 165; right of individuals, 166; principle extended to industrial departments, 167.
Insurance, 114, 115.

Jevons, 207.
Judiciary, 122–130; comment on, 268–278; how administrated, 122; qualifications, 122; legal service free, 123, 271; power to annul constitutional enactments, 123, 272–276; a committee on laws, 124; minor courts, 124, 125; labor courts, 125; precedent discarded, 126; trial for treason, 127; juries, 127, 277; functions of judges, 128; injunctions abolished, 129; contempt of court abolished, 129, 276, 278; no forced testimony, 130; prevention of crime, 130; Justice not universal and immutable, 268–270.

Labor, on demand, 32, 208–211, see also National Industry.
Legislative, the, 40–50; comment on, 213–221.
List System, 40–45, 213–221.
Lock-Outs, 98–100; of officials, 100; during the period of transition, 100.

Menger, Anton, 203.
Middleman, the, 19.
Military, the, 145–151; Comment on, 290–294; arbitration, 145; standing army, 146, 149; national militia, 146; military training in schools, 147; navy, 148; compulsory military service in time of invasion only, 149; manufacture of and trade in munitions, 149; court martial, 150; qualifications for service, 151.
Mill, J. S., 193, 201, 215.
Mining, 75.
Mirabeau, 192.
Model Constitution, first principles, 27, 28; How amended, 28.
Money, 249, 251, also see Currency.
Municipality, 107–112, 183–186; limits of, 107; seizure of municipal lands by the State, 107; right to incorporate suburban lands, 107; right to govern itself, 183, 186; revenue, how obtained, 102, 103, 184; functions of municipal administration, 185, 186; may operate its own public utilities, 186; its rights subordinate to those of the province and the nation, 187.

INDEX

Naquet, M., 199, 100, 269–270.
National Assembly, 40–45.
National Industry, 13–26, 203–205; evolution of, 16; not revolutionary, 16, 17; how initiated, 21–24; how it will do away with the evils of Capitalism, 24.

Official Service, 169–175; vacancies, 175.
Old-age pensions, see Relief.
Organization of Trades, 57–64; system of, 58–60; division between sexes, 60; the Novitiate, 62; undesirable occupations, 62; wages on application, 63; penal measures, 63, 64; incompetents, 63, 64; applicants for skilled labor, 64.

Parliament, See Legislative; functions and powers of, 158–160; chairman of, 158; wages of members, 85; impeachment of members, 178; absence from sessions, ground for impeachment, 158; minority rights in parliament, 161, 162; authority over all executive departments, 162; committee on laws, 162, 163; secret sessions, 163; quorum, 164; tie vote, 164, 166; worth and virtue of, 164; cannotl expel a member, 180.
Parties, political, 49.
Patents, see Discovery.
Penal Colonies, 130–134; comment on, 278–282; old time prisons abolished, 130; administration of, 131; convicts, how employed, 131; the length of the working-day in, 131; income, to what applied, 132; relief of convicts' families, 132; not deprived of civic rights, 132; reformation of criminals, 132; Indeterminate Sentence, 133: conditional liberation, 133; corporal punishment abolished, 133.
Pensions, see Relief.
Preparation for Office, 175, 176.
President, 54.
Press, non-partizan, 79.
Price, 85–88; comment on, 243–258; of abundant commodities, 86; of scarce commodities, 86, 87; the power of fixing, 88; definition of, 249, 251, 252; market price, 253, 254.
Prison Reform, 130–134. 278,282.
Production, 65–67.
Program for immediate action, 188.
Promotion, 171–174; at the inauguration of the new system, 173, 174.
Property, private ownership of, 191–196.
Proportional Representation, 40-45; comment on, 217, 221.
Proudhon, M., 192.
Province, 183–186; powers of provincial legislatures, 165; provincial boundaries, 183; free lands for roads, 184; functions of provincial administration, 185; autonomy, 186; no sovereignty, 187; rights subordinate to those of the nation, 187.
Public Service, 77–79.

Qualifications, of members of Parliament and of citizens, 50.

Recall, see Tenure of and Removal from office.
Relief, 138–140.
Religion, separation of Church and State, 35, 135.
Repairs and Renewals, 113, 114.
Representation, see Legislative; List System, 40–45; majority system, 217; single transferable vote, 219.
Reserve, 71–73.

INDEX

Revenue, 101–112; comment on, 258–267; to which expenditures applied, 101, 102, 111; appropriation of land by private parties, 103–105; municipalities, 107; appraisement of private land-values, 108; adjustment and collection of rent, 109; land for public purposes free, 110; canons of Taxation, 260–262.

Scarcity, definition of, 249, 254, 255.
Seizure of private property by the State, 29–32; comment on, 196–202.
Shaffle, 208.
Single-Tax, 259.
Smith, Adam, 260, 261.
Socialism, hitherto undefined, 3–13; defined, 13–26.
Spencer, Herbert, 193, 194, 201, 206.
State (the), economic rights, powers and limitations of, 29–32; comment on, 191–205; interference with private industry, 32; must assume old liabilities, 82; complete list of functions, 158–160.
Strikes and labor troubles, 95–97; acts of violence, 97.
Supply and Demand, regulation of, 90, 91; definition of, 249, 255, 256.
Supreme Court, U. S., 272–276.

Tariff, see Free Trade.
Taxation, see Revenue.
Tenure of and removal from office, 176–183; term of office, 176, 177; impeachment, 177, 178; superiors cannot dismiss inferiors, 179; but may order impeachment proceedings, 179; may be impeached in a body, 180; absentation from service or attempt to suppress liberty of individuals cause for impeachment, 180; penal measures, 181; indictment may follow impeachment, 181; forcible detention cause for impeachment, 181; trumped up charges, 182; in case a promotive officer is elected, 182; impeached officers lose previous standing, 183.
Titles of nobility, 39.
Trade, 91–95; with private or foreign parties, 92, 93; speculation, 95.
Trades Assembly, 45–48.
Transition period, 32–33.
Transportation and communication, 76, 77.
Treasury, national, 116–118; functions of, 116; surplus, to what purpose applied, 117.

Union and separation, 151–154; comment on, 294–296; no annexation of territory without consent of population, 151.
Unemployment, see Employment.

Value, 243–258; definition of, 249, 250; under national industry, 257, 258.

Wages of labor, 83–85; comment on, 239–242; inequality in, 84, 242, 243; changes, how made, 85; wages of officials, 85; a commission on wages, 85; no salary for time absent from service, 180.
Wealth, national, 121, 239–242, 256.
Wilson, Woodrow, 222.
Working-day, 89, 90; must be uniform, 89; overtime, 89, 90.

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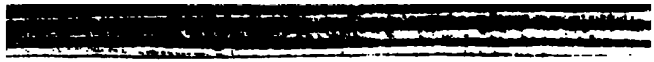
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